Adam Smith's Utopia

Society as an Open and Progressive System of Mutual Sympathy

Doğan Göçmen

PhD

University of Edinburgh
2005

Declaration

I herewith declare that this thesis has been composed entirely by me. It is my own work and it has not been submitted for any other degree or professional qualification. Material included in this thesis has not been published prior to submission. All sources quoted or used are named in the bibliography.

Dogan Göcmen

To

George Davie

and

Hans Heinz Holz

English philosophising is confined to Edinburgh and Glasgow (in Scotland) where many professors succeeded one another.

They have written mostly on moral issues. The political economist (Staatsökonom) Adam *Smith* is in this sense a philosopher, too.

Georg Wilhelm Friedrich Hegel

Let not philosophy rest in speculation, let it be a medicine for the disorders of the soul, freeing the heart from anxious solicitudes and turbulent desires; and dispelling its fears: let your manners, your tempers, and conduct be such as right reason requires. Look not upon this part of philosophy as matter of ostentation, or shew of knowledge, but as the most sacred law of life and conduct…

Francis Hutcheson

The subject of these essays is man. We have formed no imaginary schemes for exalting, or for depressing his nature. The inquiry has been, whether his capacities and powers suit his present circumstances, and fit him for acting a proper part in life? We begin with examining some of the great springs of action. Upon accurate scrutiny, it is found, that self-love, or desire of good, is not our sole principle of action; but that we are furnished, besides, with a variety of impelling powers. Mingled in society, for the convenience of mutual help, it is necessary that we feel for each other.

Henry Home (Lord Kames)

Acknowledgments

This thesis is dedicated to *George Davie* and *Hans Heinz Holz*. I owe to *Davie* many aspects of my approach to Scottish philosophy in general and to *Adam Smith's* work in particular. His work can be said, without exaggeration, to have "opened my eyes" in matters of how Smith's work should be approached. My debts to *Holz* are many. His work provided me with many insights, particularly into the questions of theoretical philosophy. I can hardly express how much I profited from his work on systematic and historical questions of mirror theory and dialectics.

I came in contact with Smith's work some 12 years ago when I started studying social sciences at the *Hamburger Universität für Wirtschaft und Politik* (HWP), formerly the *Hochschule für Wirtschaft und Politik*. Since then I have been studying Smith's work in the broad sense of the word. During these studies, I have enjoyed the supervision and moral support of many of my tutors. I am happy to acknowledge my debt, particularly to *Werner Goldschmidt, Wulf D. Hundt, Johanna Klages, Lars Lambrecht* and *Ulrich Zachert*.

The topic of this thesis I owe to *Richard Gunn*'s lectures on *Scottish Social and Political Thought* during the time I studied for my master's in social and political theory at *The University of Edinburgh* in 1997/98. He has been supervising me since then for more than 6 years. I would like to thank him and his wife *Michèle,* who welcomed me in their home as if I were a member of the family. I would like also to thank to my supervisor Russell Keat. I can hardly express how much I owe to his encouraging and thought-provoking questions and discussions.

I am glad to express my grateful thanks to *Monika Goldschmidt, Silvia Holz-Markun, Anna* and *Roger Sardesai*, my mother *Ceney* and other members of my family *Halil, Mercan, Zöhre, Ali, Derya, Ismail, Eylem* and *Mustafa Göçmen* for their financial and moral support. Without the encouragement of my late father, *Memo Göçmen,* I would hardly have taken the necessary steps to study. I wish he could have seen the first outcomes of his encouragement.

I can hardly express how thankful I am to my wife *Gürsel* and my children *Ekin* and *Gökçe* who shared all my vicissitudes - without their patient support and leniency, I could hardly have been able to come this far in my studies.

My many thanks also to *Hans-Boeckler-Stiftung* (HBS) for providing me with a scholarship for so many years. I am particularly grateful to *Birgit Grafe* and *Werner Fiedler* and their secretaries *Doris* and *Iris* for their compassionate supervision and support.

Table of Contents

Key to Abbreviations and references

EPS	*Essays on Philosophical Subjects*,
included among which are:	
History of Astronomy	'The History of Astronomy'
External Sense	'Of the External Senses'
Lectures Jurisprudence	*Lectures on Jurisprudence (1762-3 and 1766)*
LRBL	*Lectures on Rhetoric and Belles Lettres*
Included among which is:	
Languages	'First Formation of Languages'
TMS	*The Theory of Moral Sentiments*
WN	*An Inquiry into the Nature and Causes of the Wealth of Nations*

Part I: Introduction

In this thesis, I endeavour to make a contribution to the debate on the 'Adam Smith Problem'. This is a long-standing debate and it concerns the relationship between Smith's two major works, *The Theory of Moral Sentiments* (TMS) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (WN). Discussion of this problem goes back to the 1840s, and it was formulated explicitly as a problem not later than in the 1890s. The main question that is discussed is whether Smith's work contains two fundamentally different concepts of human nature or, in other words, whether there are two contradictory anthropological views. If there are two fundamentally contradictory concepts of human nature, that is, if there are two contradictory anthropological views in his work, how should this be explained? Should this, for example, be explained by pointing to some fundamental changes in Smith's anthropological views, or should it be explained by pointing to his theoretical and methodological approaches? So, for example, when he developed his concept of human nature, did Smith employ a methodological dualistic approach? In this thesis I endeavour to develop an answer to the above-mentioned question.

My main claim in this thesis is that there is one concept of human nature in Smith's work. But I suggest that this concept consists of two complementary elements. The first one is a general normative view of human nature and the second and more particular one is an account of the human situation in commercial society. There is indeed a contradiction between these two aspects of Smith's anthropological view. I suggest, however, unlike many scholars, that this contradiction should not be ascribed conceptually to Smith, as many scholars claim explicitly and many others

accept more or less implicitly. My main argument is that this problem should not be seen as a conceptual problem of Smith's. I suggest rather that this is a real problem arising from social relations in commercial society, which is mirrored and indeed reflected upon critically in Smith's work. However, in the last 150 years or so, there have arisen many different approaches in an attempt to explain and solve this problem. Therefore, in the introductory part of the thesis, *firstly,* I am going to work out what the Adam Smith Problem is; *secondly,* I will present my own approach in relation to other approaches; *thirdly,* I shall provide some information about the relationship between the different parts of this thesis.

1. The Adam Smith Problem: what is it about?

The question that has given rise to this debate is whether Smith's basic anthropological assumptions in his two major works are opposed to one another. There are in particular two passages, the one in TMS and the other in WN, which triggered off the whole debate some 150 years ago.[1] In TMS, Smith asserts:

> '[h]ow selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.'[2]

Yet in WN he observes:

> '... man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and shew

[1] Cf. for an account of the history of the Adam Smith Problem: Laufer (1902), pp. 5-18; Neili (1986), pp. 611 – 616; Otteson (2000), pp. 51-74; Raphael and Macfie (1984), pp. 20-21.
[2] TMS I.i.1.

> them that it is for their own advantage to do for him what he requires of them. (...) It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.'[3]

Except for a few scholars such as the editors of TMS, D.D. Raphael and A.L. Macfie, almost all scholars see a fundamental contradiction between these two anthropological assertions. It is generally agreed that the fundamental concept of Smith in TMS is sympathy on the basis of which he develops his anthropological assumptions about social individuality. In WN, by contrast, it is a concept of pure utilitarian self-interest or self-love, when he explores the social relations in commercial society. Despite the fact that some scholars claim that the concept of sympathy can be reconciled with commercial exchange-relations, most seem to agree that Smith's account of sympathy is at odds with all forms of commercial exchange-relations and with the principle of egoism serving the foundation of these social relations.

For, according to Smith's theory of communication and action, the very fact that mutual understanding requires changing situations with one another by means of imagination undermines any form of individualism. The very precondition for the placing of oneself into the situation of the other self, in any situation of communicative action, is that one must first ignore all one's personal interests, feelings and passions. Otherwise, there cannot be any mutual understanding, and as a result of this there can hardly be any communication. In other words, in order to

[3] WN I.ii.2.

understand and communicate with one another, human beings must, according to Smith, sympathise with one another and therefore go always beyond themselves. Further, if they cannot understand one another, they also cannot understand themselves. In short, the understanding of another is at the same time the understanding of oneself.

Because of this analysis of communicative action by Smith, almost all scholars suggest that the underlying anthropological assumption of TMS is a conception of social individuality. Indeed, in the passage quoted above from TMS, Smith's assertion is a socio-anthropological and psychological one. He refers to some *original* principles in human nature. According to these original principles, human beings are happy and feel satisfaction when they observe that their fellow-citizens are happy. They enjoy others' happiness without expecting any advantage except feeling satisfaction in seeing their happiness. In the passage from WN, by contrast, Smith describes human beings merely as self-interested or ego-centred beings. It is not the pleasure of seeing others' happiness or benevolence which primarily motivates them but merely self-interest. Accordingly, we have to expect our dinner from the butcher, brewer or baker, not from their benevolence or humanity but solely from their regard to their own interests.

It is this seeming paradox in Smith's anthropological accounts, which gave many philosophers in the 19th century throughout Europe the impression that Smith's starting point in TMS was a conception of social individuality, whereas in WN it was a conception of the egoistic individual. Therefore, it is claimed that Smith makes two

irreconcilable anthropological assumptions in his two major works. The Adam Smith Problem is supposed to describe this paradox in Smith's two basic anthropological assumptions. The particular question, therefore, that is at issue in the debate is whether there is a fundamental contradiction between Smith's basic anthropological conceptions in his two works. Or, to put the question on a larger scale, with August Oncken who coined the expression 'Adam Smith Problem': '[a]re the two principal works of Adam Smith, the *Theory of Moral Sentiments* (1759) on the one hand, and the *Inquiry into the Nature and Causes of the Wealth of Nations* (1776) on the other, two entirely independent works, contradicting each other in their fundamental principles, or are we to regard the latter simply as a continuation of the former (...) and both as presenting, when taken together, a comprehensive exposition of his moral philosophy?'[4]

2. The approaches to the Adam Smith Problem

In a debate of such a long duration, which has produced so many different and sophisticated arguments, it is not easy to identify all the different approaches and classify them in relation to one another, for some scholars may in one respect be assigned to one group of scholars and in another respect to another. For example, adopting one basis for classification, we can say that on the one hand, there are those scholars who accept that there is an Adam Smith Problem but who differ among themselves with regard to whether this problem should be justified or explained and criticised; on the other hand, there are those scholars who deny that there is an Adam Smith Problem, yet also differ among themselves with regard to how this view

[4] Oncken, quoted in: Neili (1986), p. 612.

should be justified. Alternatively, on a different classificatory basis, we can say that on the one hand, there are some scholars who do not regard the Adam Smith Problem as a problem at all, and on the other hand, there are those who seem to accept that there is a problem but suggest that this should not be ascribed conceptually to Smith. Because of this, it is not always easy to decide about the grouping of the scholars. There may be many ways of presenting the different approaches and arguments. I prefer to classify and present them in terms of whether they approach the problem at issue merely as a conceptual problem of Smith's, or whether they deal with it as a real problem to be faced in commercial society.

I prefer to classify the different approaches from this point of view because this seems to be the best way of presenting and differentiating my own approach in relation to them. So, in the following account I shall distinguish two major groups of scholars: those who deal with the problem in question merely as a conceptual problem of Smith's and those who deal with it as a real problem arising from social relations in commercial society, rather than conceptually from Smith's work. I shall call the methodological approach of the former *textual-analytical* and that of the latter *historical*. Let us first present the former and then move on to the latter.

2. 1 The textual-analytical approach

In this group of scholars, who represent by far the majority, there are at least three major sub-groups. *Firstly*, there are those who see a contradiction between Smith's above-described two anthropological assumptions in his two major works and claim that this is due to a change of mind on his part, explaining this by referring

to Smith's intellectual development. In agreement with Russell Neili, I call this approach the 'French connection theory'.[5] *Secondly*, there are those who accept that there is a contradiction between Smith's two anthropological assumptions, but argue that this should not be seen as a problem; I call this approach 'The dualist justificatory approach'. *Thirdly* and lastly, there are those scholars who refuse to ascribe to Smith conceptually any form of anthropological contradiction or dualism, and claim, therefore, that the Adam Smith Problem is a 'pseudo-problem' or 'not a problem at all'; I call this approach 'The defensive approach'.

2. 1a The French connection theory

The French connection theory is an early attempt to explain the allegedly contradictory anthropological underlying assumptions in Smith's two works. It gives a kind of biographical explanation of the genesis of the Adam Smith Problem. The French connection theorists think that Smith changed his anthropological view while he was in France. In the second half of the 19th century many philosophers, economists, social scientists and historians, such as Bruno Hildebrand[6], Carl G. A. Knies[7], Witold von Skarzynski and Lujo Brentano, claimed that Smith was influenced by his teacher Francis Hutcheson and his friend David Hume. He took over from Hutcheson early on his view of benevolence and from Hume his view of sympathy. On the basis of these two conceptions he developed his moral philosophy. However, in 1764 he travelled to France and there he came, they claimed, under the 'influence of French materialist philosophers Helvétius and Holbach, in addition to

[5] Cf. Neili (1986).
[6] Cf. Hildebrand, Die Nationalökonomie der Gegenwart und Zukunft, Frankfurt a/M.
[7] Cf. Knies (1853).

the leading physiocrats.'[8] As a result of these French influences, they claimed, Smith changed his anthropological views. He dropped consequently his fundamental concepts of benevolence and sympathy, and borrowed from French philosophers the concept of self-interest, which he laid down as a foundation to his account of human nature in WN.[9]

The editors of TMS, D. D. Raphael and A. L. Macfie, point to Bruno Hildebrand as one of the first scholars to have formulated the charge that Smith changed his anthropological views during his stay in France, and say that he was followed in this claim by such scholars as G. A. Knies and W. v. Skarzynski. According to their account, Skarzynski seems to have formulated the 'full-blown version of the *Umschwungstheorie'* (theory of reversal).[10] This shift is supposed to describe the alleged change in Smith's theorising about human nature. However, according to Neili's account of the history of the Adam Smith Problem, it seems to have been Lujo Brentano who first formulated the 'full-blown version' of the charge that Smith shifted from benevolence and sympathy to self-interest. For Brentano's book, *Das Arbeitsverhältnis gemäß dem heutigen Recht* (The Relation of Labour to the Law of Today), in which he formulates the alleged shift in Smith's anthropological views, was published in 1877, whereas Skarzynski's book *Adam Smith als Moralphilosoph und Schöpfer der Nationalökonomie* (Adam Smith as Moral Philosopher and Creator of National Economy) was published first in 1878. However, with regard to their assessment of the relationship between TMS and WN

[8] Neili (1986), 612.
[9] Cf. Neili (1986), pp. 612 – 614.
[10] Cf. Raphael and Macfie (1984), p. 20.

there is hardly any difference between Brentano and Skarzynski. They formulate almost the same claim merely in different words.

Brentano formulates his claim as follows: Adam Smith worked on WN

> '...in the seclusion of the countryside for 10 years. He had begun the work immediately following his return from France. There, during his twelve month stay in Paris with Helvétius ... he conversed with those people whom Helvétius ... had gathered round his table... And just how great was the influence of this interchange upon Smith can be seen in the revolution (*Umschwung*) that it exerted upon his basic ideas. As is well known, Smith in 1759 published a *Theory of Moral Sentiments* according to which only those actions are moral which meet with the approval (sympathy) of the well-informed and impartial spectator. According to him men are moved out of considerations for this approval and he writes (Theory of Moral Sentiments, II, 3,1.4): "That whole account of human nature, however, which deduces all sentiments and affections from self-love, which has made so much noise in the world, seems to me to have arisen from some confused misapprehension of the system of sympathy." In the *Inquiry into the Wealth of Nations*, by contrast, he adopts completely the views of Helvétius concerning the nature of man and of selfishness as the only motivating force in human action. The consequences of this dogma of selfishness permeate almost every part of the work.'[11]

Skarzynski states the same claim in different words when he writes: 'Under the influence of Hutcheson and Hume, Smith was an idealist so long as he remained in England. After three years of contact with the materialism that reigned in France, he returned to England as a materialist. In this simple manner is to be explained the contrast between the *Theory* [*of Moral Sentiments*] (1759), written before the trip to France, and *Wealth of Nations* (1776), written after his return.'[12] Accordingly, '[t]his

[11] Brentano (1891), pp. 63-64 (quoted in: Neili (1986), 613).
[12] Skarzynski (1878), p. 183 (quoted in: Neili (1986), p. 614).

principle [of self-love] was adopted by Adam Smith as a result of his converse with Helvétius and the Physiocrats.'[13]

As we see from these quotations, the French connection theorists explain the genesis of the problem biographically. However, not only does their explanation of the genesis of the problem rest on false assumptions about Smith's intellectual development, and on ignorance of Smith's complete work, but their claim that Smith took over from Helvétius his conception of self-interest was refuted no later than the beginning of the 20th century. Of course, the French philosophers did influence Smith and other English and Scottish philosophers, and vice versa. Smith's theorising takes into account and responds to the questions raised above all by European philosophy in new and modern times. Therefore, we must not exclude the possibility that Smith was influenced in different ways, not only by Helvétius but also by many other French philosophers. However, as Schmelka Laufer showed as early as 1902, there are fundamental systematic differences between Smith's and Helvétius' approaches to ethics, and to social and political theory.[14]

Because scholarly researches into Smith's work and into his intellectual development were just at their beginning, such interpretations of his intellectual development and his work as have been given by French connection theorists might have seemed possible in the second half of the 19th century. But his *Lectures on Jurisprudence* from 1763, which he delivered before he travelled to France,

[13] Skarzynski (1878), p. 189 (quoted in: Neili (1986), p. 614).
[14] Cf. Laufer (1902).

published by Edwin Cannan in 1896, showed clearly that 'Smith formulated all the major ideas of the *Wealth of Nations*, including the idea that economic relations are motivated by self-interest'[15], before his journey to France.

Further, as Neili points out correctly, the fact that a biographical explanation of the genesis of the problem by the French connection theorists was not justified could have already been seen long before the publication of his *Lectures on Jurisprudence*. Neili points to 'two important pieces of information which seriously tended to undermine the factual basis upon which the French Connection Theory was built.'[16] The first is the 'ADVERTISEMENT' which Smith wrote to the last edition of TMS in 1790 and in which he refers to the last passage of TMS, which was formulated already in the first edition. There he explains the general plan of his work, from which, as Neili asserts rightly, we may indeed see that Smith planned his two major works as different parts of a whole and that he did not see any essential contradiction between their fundamental assumptions. This may indeed suggest that Smith planned his work as a whole but it implies little about whether Smith changed his anthropological views.

The other piece of information seems to me of greater importance. It refers to Dugald Stewart's *Account of the Life and Writings of Adam Smith, L.L.D.* (1793; which is now published in 'The Glasgow Edition of the Works and Correspondence of Adam Smith', in *Essays on Philosophical Subjects*).[17] If we follow Stewart, and as

[15] Cf. Neili (1986), p. 614.
[16] Neili (1986), p. 615.
[17] Cf. Stewart (1981), in: EPS, pp. 269-332.

Neili suggests there seems to be no reasonable ground for doubting his assertion, then we must accept that Smith developed the fundamental categories both of TMS and of WN in the 1750s, that is, more than 10 years before he travelled to France. Stewart asserts, for example, that 'Mr. Smith's political Lectures, comprehending the fundamental principles of his Inquiry, were delivered at Glasgow as early as the year 1752 or 1753.'[18]

However, the fact that Smith had developed all his major concepts in TMS as well as in WN before he went to France, which refuted the explanation of the genesis of the problem by French connection theorists, seems not to have settled the debate. Although the French connection theorists based their claims concerning Smith's contradictory anthropological views partly on false assumptions about Smith's intellectual development and partly on ignorance of his complete work, they nonetheless saw an apparent contradictory relationship between the TMS and WN. Despite their false account of the genesis of the problem, they seem to have pointed to a problem, which is still in dispute.

2. 1b The dualist justificatory approach

The dualist justificatory approach emerged in the second half of the 19th century, as an immediate reaction to the claims of the French connection theorists. This group of scholars agrees with the claim of the French connection theorists that there are two different anthropological views in Smith's work, but unlike the French connection theorists, this group of scholars claims that this should not be regarded as

[18] Stewart (1981), in: EPS, p. 320.

a problem. They accept that there is a dualism (or contradiction) between the anthropological views in TMS and WN but, according to them, this is the only way the ethical and economic issues can be approached. According to their approach, the spheres of ethics and economics are entirely different and separate realms. Each of them has its own rules and principles. Therefore, the understanding of one sphere can hardly contribute to the understanding of the other sphere.

H.T. Buckle and August Oncken, who may be seen as the founders of this approach, justify their positions respectively from an empiricist, and from a Kantian, dualistic point of view.

Buckle approaches the relationship between TMS and WN from an empiricist's point of view in a dualistic way. He claims that in order

> '[t]o understand the philosophy of this, by far the greatest of all the Scotch thinkers, both works must be taken together, and considered as one; since they are, in reality, the two divisions of a single subject. In the *Moral Sentiments,* he investigates the sympathetic part of human nature; in the *Wealth of Nations* he investigates its selfish part. And as all of us are sympathetic as well as selfish; in other words, as all of us are looking without as well as within, and as this classification is a primary and exhaustive division of our motives to action, it is evident, that if Adam Smith had completely accomplished his vast design, he would at once have raised the study of human nature to science.'[19]

Just a few pages further down he continues and suggests: '[i]n his *Moral Sentiments*, he ascribes our actions to sympathy; in his *Wealth of Nations,* he ascribes them to selfishness. A short view of these two works will prove the existence of this

[19] Buckle (1867), vol. 3, p. 305; reprinted in: Buckle (1970), p. 255.

fundamental difference, and will enable us to perceive that each is supplementary to each other; so that, in order to understand either, it is necessary to study both.'[20] Buckle's claim for a 'supplementary' reading of Smith's two works is a dualistic reading, which leads him to ascribe to Smith a belief in dualism between the individual and society, on the one hand, and externality and internality, on the other. In the long quotation above he takes for granted that the principle of sympathy can serve the basis of social relations in the ethical sphere but not in the economic. In the economic sphere, the principle that provides the foundation of social relations can only be selfishness. Therefore, according to Buckle's approach, TMS and WN must be dealt with separately and without any categorical relation to one another.

Oncken justifies the dualism between Smith's two anthropological assumptions from a Kantian point of view. Like Buckle, he agrees with the claims of the French connection theory that Smith used in his two works two totally different views of human nature. However, due to his Kantian dualist approach he does not regard this as a problem that needs to be solved. Kant develops the dualistic foundations of his ethics in his *Critique of Pure Reason*, in which he deduces the concepts of the appearances from within, that is, from *a priori* categories, which he claims lie, though empty, already in our mind, and gain their data from without. Kant applies this same methodological approach to the questions of ethics. In his *Grundlegung zur Metaphysik der Sitten* (Groundwork to the Metaphysic of Morals) he suggests consequently that the 'binding character' or the objectivity of moral laws must be

[20] Buckle (1867), vol. 3, p. 309; reprinted in: Buckle (1970), p. 259.

drawn from a priori categories of pure reason, rather than deducing them from reality or human nature.[21]

In the first section of the *Groundwork of Metaphysic of Morals,* he points then to merchants as the representatives or personifications of economic exchange relations, whose actions seem at first sight to be motivated by the principle of honesty. However, Kant asserts that this is not their sole motivation. On closer examination, we will see that their actions do not arise either from their regard for the principle of duty or from immediate inclination, but from their identification with their own economic interests.[22] Therefore, Kant concludes that the binding character of moral laws cannot be derived from the economic sphere even if we assess it critically. This is also where Kant introduces a dualism between the moral and the economic sphere. He suggests that, as we cannot derive moral laws critically from the economic sphere we must refer to *a priori* categories of pure reason if we want to develop moral laws with some kind of prescriptive or binding character.

According to Oncken, Smith consciously uses in his two works the same approach as Kant and therefore he utilises two totally different views of human nature in TMS and WN. Because of this, Oncken claims, Smith regards the world of economics and that of ethics, like Kant, as two totally different and irreconcilable worlds, and separates them consciously, like Kant, in a dualistic way. Accordingly, if we follow Oncken, we must read Smith's work from a Kantian dualistic point of

[21] Kant (1974), p. 13; cf. also pp. 18/9 and 23.
[22] Kant (1974), p. 23.

view. He claims, therefore, that '... we find in Kant and Smith suddenly again the great questions of philosophy from an *active* and *dualistic* standing point considered.'[23] The only difference between Kant's and Smith's accounts of ethics was, according to Oncken, that whereas the former develops his ethics on the ground of metaphysics, the latter develops them on the ground of empiricism and materialism.[24]

The consequences of both versions of the dualistic justificatory approach to Smith's work seems to have been the neglect of either TMS or WN, so that Smith was interpreted either merely as an economist, by far the dominating group, or merely as a moral philosopher, rather than as a comprehensive social and political theorist. Those scholars, for example, who took over consciously or unconsciously Buckle's and/or Oncken's dualistic approach seem to have read Smith's two works in a dualistic or separated way. If we are merely interested in economics, for example, we have to concentrate on WN and lay aside TMS, and vice versa, if we are interested in moral issues, we need to take into account only TMS and neglect WN. The issue becomes more complicated, if one neglects TMS and gives a moral philosophical interpretation on the basis of WN. John Rawls, for example, seems to have neglected TMS and given an individualistic interpretation of Smith's work, since he sees Smith in the tradition of utilitarianism, which runs against Smith's explicit rejection of utilitarianism.[25]

---

[23] Oncken (1877), p. 60 (Oncken's own italics).
[24] Oncken (1877), p. 61.
[25] Rawls (1973), pp. 22-27 and 183-192.

Smith's concept of the 'impartial spectator' is together with his concept of sympathy very crucial to his ethics, and in WN, he hardly refers explicitly to these concepts. This seems to give rise to the impression that his ethics in general and his concept of the 'impartial spectator' in particular 'is not a part of Smith's system in the *Wealth of Nations*', as Samuel Fleischacker asserts.[26]

Now it is true that if we look at the 'Index of Subjects' of the Glasgow Edition of WN, we cannot find any reference to the 'impartial spectator' and when we search in the text we can find to the best of my knowledge only one explicit reference to this concept of the impartial spectator.[27] However, as I shall show later on in the thesis, the fact that Smith did not use his concept of the impartial spectator in WN as a fundamental category has to do with his conception of critique. In WN, Smith wants to develop an *immanent* critique of commercial society, that is, he wants to show the consequences of the distorting structural problems of commercial society by analysing its inner logic. If he had based his analysis and critique on the concept of the impartial spectator, he would have formulated an *external*, that is, a deontological moral critique of the economic structure of commercial society. Like Kant, this would have led to a parallelism between moral and economic categories, that is, to a 'system' of two entirely different sets of categories running parallel to one another rather than integrating with one another. Instead, Smith wants to show that the fundamental categories of commercial society, such as capital and labour would

[26] Fleischacker (1991), p. 251.
[27] Cf. WN V.iii.90.

themselves suggest their own critique if they were analysed thoroughly in their relation to one another.

This, however, is not to suggest that Smith's concept of impartiality 'is not a part of Smith's system in the *Wealth of Nations'*. In WN Smith hardly uses the expression 'impartial spectator'. But he still operates on the basis of this concept. He refers many times to the 'general interest of society', the representative of which is the impartial spectator, as Smith points out many times in TMS. Interestingly enough, Smith's first reference to his concept of impartiality occurs already in his *Introduction and Plan of the Work,* where he asserts that '[s]carce any nation has dealt equally and *impartially* with every sort of industry.'[28] This assertion means in consequence that Smith is going to deal 'with every sort of industry' impartially, which, in turn, would mean that Smith declares himself to be the 'impartial spectator' of the material that is dealt with in WN.

Moreover, many scholars of Smith in the 20th century have shown that Smith's moral philosophy is supposed to be not only prescriptive, as is the case with Kant's deontological or formal ethics, but also descriptive.[29] As will be seen later in my discussion, unlike Kant, Smith formulates, within the framework of his ethics, a theory of socialisation, which enables him to derive the binding character of moral laws from human nature in general, and from historically-conditioned social reality in particular, rather than deducing it formally from some *a priori* categories as Kant

[28] Cf. WN, Introduction and Plan of the Work, p. 11.
[29] Cf. Campbell (1971); Campbell (1975), pp. 68-82; Raphael (1975), pp. 83-99.

does. In other words, Smith's ethics is a historical-critical and practical theory of ethics. Because of this, Smith's ethics differ crucially from that of Kant. Due to his formalism, unlike that of Smith, Kant's ethics can hardly provide an ethical guidance in real life. Smith's ethics, by contrast, can not only intervene in real life, but can deal at the same time with problems concerning commercial society, which are presented in WN from a historical point of view both affirmatively and critically. Therefore, one may suggest that Smith's ethics may be described more as dialectical rather than dualistic. I will return to these concepts later in my conclusions.

2. 1c The defensive approach

In the last two or three decades there has emerged a third group of scholars, whose members want to refute the claim that there are contradictory anthropological statements in Smith's two works. To do so they present a systematically oriented clarification of his terminology. Their defensive approach should not be understood in the sense of a dualistic defence like that of Buckle and Oncken. This group of scholars wants rather to show that there is no dualism between Smith's two works and that they do not contradict each other. To the best of my knowledge the first scholars to adopt this approach were the editors of the TMS, D.D. Raphael and A.L. Macfie, who describe the Adam Smith Problem as a 'pseudo-problem based on ignorance and misunderstanding'[30] – a position to which Maurice Brown also subscribes. In his methodological assessment of the Adam Smith Problem Brown suggests that 'the same basic methodological perspective is to be found in all of

[30] Raphael and Macfie (1984), p. 20.

Smith's work'[31], and concludes that the Adam Smith Problem 'is not therefore a problem at all.'[32] Raphael goes even further and calls the formulation of the Adam Smith Problem a product of 'fantasy'.[33]

Raphael and Macfie justify their position both by referring to Smith's intellectual development and by endeavouring to clarify his use of the terms 'self-interest, 'self-love' and 'selfishness'. Firstly, implicitly referring to and rejecting the French connection theorists' claims concerning Smith's intellectual development, they assert that

> 'Smith's account of ethics and of human behaviour is basically the same in edition 6 of 1790 as in edition 1 of 1759. There is development but no fundamental alteration. It is also perfectly obvious that TMS is not isolated from WN (1776). Some of the content of the new material added to edition 6 of TMS clearly comes from the author of WN. No less clear, a little content of edition **1** of TMS comes from the potential author of WN. Of course, WN is narrower in scope and far more extensive in the working out of details than is TMS. It is largely, though by no means wholly, about economic activity and so, when it refers to motivation, concentrates on self-interest.'[34]

Secondly, having explained that there is no essential change during Smith's intellectual development, they move on to work out in what senses Smith uses his fundamental concepts in TMS and WN. They assert that

> 'Smith recognizes a variety of motives, not only for action in general but also for virtuous action. These motives include self-interest or, to use the eighteenth-century term, self-love. It is this, not "selfishness", that comes

[31] Brown (1988), p. 4.
[32] Brown (1988), p. 5.
[33] Raphael (1985), p.89.
[34] Raphael (1985), p.89.

> to the fore in WN. Smith distinguished the two expressions, using "selfishness" in a pejorative sense for such self-love as issues in harm or neglect of other people. While Smith is ready to couple selfishness with "rapacity" (TMS IV.1.10), he also insists, against Hutcheson, that a proper "regard to our own private happiness and interest" is a necessary element in virtue (VII.ii.3.16). It is therefore impossible to accept the view that there is any difference of substance between TMS and WN on self-interest as a motive.'[35]

Neili's particular contribution to this approach lies in his extension of the scope of the discussion. He not only discusses systematically Smith's fundamental categories, like the editors of TMS, but also introduces a kind of sociological view by relating these categories to the essential spheres of social life such as family, community, nation and mankind. He demonstrates thereby in a very illuminating way that, according to Smith, particular interests in these spheres do not necessarily contradict the general interest of society.[36]

These explanations have indeed contributed much to the clarification of Smith's fundamental categories and their relation to one another, and this systematic terminological clarification of Smith's categories is a necessary part of the clarification of the problem in question. However, a mere terminological clarification of Smith's categories, that is, a mere textual analytical reading of Smith's two works, seems to solve the problem only partly. There are particularly two reasons why I come to this conclusion. *Firstly*, unlike in TMS, in WN Smith uses his central concepts, such as self-love, self-interest and justice, merely as economic or technical terms, that is, without any moral implications. As Otteson suggests, for example,

[35] Raphael and Macfie (1984), p. 22.
[36] Cf. Neili (1986), pp. 616 – 624.

'Smith's discussions of justice in WN do not seem to have the moral dimension they did in TMS; rather, they relate almost exclusively to the administration and execution of laws.'[37] This is not to suggest that he uses his central concepts in an non-critical sense. But he uses them in most of the cases without any moral implication. *Secondly*, like Reid, Smith seems to be critical of a mere logical definition of words or terms. He prefers rather to define the terms by describing critically the social context in which they occur.

For instance, let us take his use of the concept of rank. He applies it on so many different occasions to describe so many different phenomena that it seems hardly possible to grasp the definite meaning of it, if we approach it merely from a textual-analytical point of view.[38] For example, in TMS Smith makes two assertions: on the one hand, he claims that 'rank' was necessary for the stability of society[39], and on the other hand, he asserts that sympathetic relations were also a prerequisite for the stability of society.[40] Then he moves on and suggests that the order of society based on rank causes at the same time the corruption of moral sentiments and, therefore, is an obstacle to sympathetic relations.[41] Now, we are confronted by a typical interpretative dilemma and we are at a loss if we approach Smith's work merely from a textual-analytical point of view because we have two contradictory statements. In other words, in our attempt to answer such questions, a mere textual-analytical approach may help us to grasp the textual meaning of the terms which

[37] Cf. Otteson (2000), p. 67.
[38] Cf. Reid (1967), p. 219 – 220; Reid (1983), pp. 129 – 133.
[39] Cf. TMS I.iii.2.
[40] CF. TMS I.i.2.
[41] TMS I.iii.3

Smith uses, whether he has a static or a dynamic conception of 'rank', for example. However, such an approach which limits itself to terminological clarification can hardly solve the problem that we have two contradictory statements of equal relevance. Therefore, if we face such contradictory statements we have to bear in mind how the order of rank is constituted in commercial society; how Smith deals with it; how he estimates the 'present state of society'[42].

Smith was aware of the fact that commercial society had just emerged and, though it was more advanced than other social formations, it was still dominated by fragmentation and a contradiction of interests. He thought that history had not come to its end. He called, therefore, for further reformation of society because he thought that in 'the present misery and depravity of the world'[43] there are still huge structural obstacles in society which hinder its further advance; or, to refer to the fundamental principle of his ethics, there are still structural hindrances which undermine permanently our attempts to see 'ourselves in the light in which others see us'.[44] Because of this, questions raised by Smith's work can hardly be solved fully if we approach it only from a textual-analytical point of view. We must rather bear in mind that Smith himself dealt with these problems not only as philosophical problems but also, or perhaps above all, as real problems to be faced in commercial society. This brings us to the next group of scholars.

[42] TMS III.3.18.
[43] TMS I.iii.1.5.
[44] TMS III.4.6.

2. 2 The historical approach

The historical approach seems to have emerged in the 1970s and 1980s implicitly or explicitly as a reaction to the weaknesses of the approaches to Smith's work which had been developed since approximately the 1850s. The 'Glasgow Edition of the Works and Correspondence of Adam Smith' was one of the main promoters of this new approach from the 1970s. This group of scholars seem to accept that there is an Adam Smith Problem. In other words, they agree with French connection theorists and the scholars of the dualist justificatory approach that there is a contradiction between Smith's two fundamental anthropological assumptions in TMS and WN. Unlike these groups, however, they refuse to ascribe this problematic dualism, whether in its critical or affirmative sense, conceptually to Smith. In this respect they can be seen as agreeing with the scholars of the defensive approach, in that they too deny that there is a conceptual problem arising from Smith's work. They differ from them, however, with regard to the claim that the Adam Smith Problem is a 'pseudo-problem' or 'not a problem at all'. On the contrary, they deal with the Adam Smith Problem not as a conceptual problem of Smith's but rather as a historically conditioned real problem in commercial society. In short, the historical approach endeavours to show that Smith is very well aware of the problem at issue and that he deals with it critically as a real problem.

Despite the many differences between members of this group - which includes scholars such as Ronald L. Meek, Joseph Cropsey and Richard Teichgraeber - we may nonetheless regard this historical, 'real world' focus in their interpretation of Smith as the leading characteristic of their work, which thus endeavours to take

proper account of his treatment of commercial society as a historical social formation and his anticipations about its further development.[45] Ronald L. Meek, for example, not only endeavours to explain Smith's fundamental terminology systematically, but also emphasises the significance of Smith's theory of history and his theory of progress, from which Smith deduced his solutions concerning the problems faced by commercial or civil society.[46]

Smith's adoption of a historical (indeed historical-sociological) approach is evident, for example, in his approach to the study of law.[47] At the very beginning of his *Lectures on Jurisprudence* from 1763 Smith first defines what jurisprudence is and what parts it consists of. In other words, he defines and systematises the topic of his lectures and he suggests thereby what the system of jurisprudence may be.[48] Then

---

[45] Cf. for example Meek, Social Science and the Ignoble Savage, Cambridge/London/New York/Melbourne, 1976.

[46] Cf. Meek (1973), pp. 50 – 72.

[47] Based on P.G. Stein's account of legal thought in 18th century Scotland, John Clive points out that Scottish legal thought differed from that of the continental tradition, among others, particularly in one respect: unlike the continental tradition, which was developed mainly on the basis of purely rational principles, Scottish legal thought involved a historical-sociological conception of law, and, if we follow Clive, 'Stair was only the first of a succession of Scottish legists who challenged natural law theory and thus paved the way for a socio-historical conception of law.' (Clive 1996 p 231). Smith clearly followed this tradition and developed it further. We might even say that among the few philosophers in the 18th century who contributed to the development of a historical approach as a methodological device of social and political theory, Smith contributed the most.

[48]Clearly, Smith did not intend his historical approach to *replace* a systematic one, but to be combined with it. Just a few days before the publication of TMS, on the 4th of April 1759, Smith recommended to the 1st Earl of Shelburne that his son should study, instead of English law, civil law: '[t]he civil Law is digested into a more regular System than English Law has yet been, and tho' the Principles of the former are in many respects different from those of the latter, yet there are many principles common to both, and one who has studied the civil law at least knows what a System of Law is, what parts it consists of, and how these ought to be arranged: so that when he afterwards comes to study the law of any other country which is not so well digested, he carries at least the *Idea of a System* in his head and knows to what part of it ought to refer every thing that he reads.' (Correspondence, letter 30, italics added). Smith may not always succeed in his attempt to combine these two methodological approaches. However, this is understandable, when we consider that in the 18th century, unlike the systematic approach which had been developed since ancient Greek philosophy, the historical

Smith moves on and gives lectures on the different parts of jurisprudence. He begins his lectures on different parts of jurisprudence with lectures on occupation, the subject of which is the acquisition of property. He makes an assertion before he begins his lectures on occupation: '[b]efore we consider exactly this or any of the other methods by which property is acquired it will be proper to observe that the regulations concerning them must vary considerably according to the state or age society is in at that time.'[49] He goes on to differentiate in this context between four historical stages in the development of society, in which property relations, and accordingly legal relations, differed from one another fundamentally. [50]

There is a further respect in which the approach taken by members of this group may be termed 'historical', namely that it takes account of the historical context of Smith's work and also attempts to situate it in the history of modern philosophical thought. Thus scholars such as Richard Teichgraeber emphasise Smith's importance in the development of social and political thought in the European tradition. He works out some of the changes in western social and political thought occasioned by Smith's moral philosophy and his social and political thought.[51] According to Teichgraeber, Smith demonstrates, in contrast to the civic virtue tradition of Western social and political thought, that commerce and ethics do

---

approach to social and political theory had only just begun to be regarded as important as a systematic approach.

[49] Lectures Jurisprudence, p. 14 (italics added).
[50] Cf. the last passage of TMS, where Smith says: 'I shall in another discourse endeavour to give an account of the general principles of law and government, and of the *different revolutions* they have undergone in *different ages and periods* of society, not only in what concerns justice, but in what concerns police, revenue, and arms, and whatever else is the object of law.' TMS VII.iv.37 (italics added).
[51] Teichgraeber (1982), pp. 249-264.

not contradict each other.[52] In a similar vein, Cropsey shows convincingly all the changes which Smith introduced into modern European social and political thought since Hobbes. Unlike Hobbes and Locke, Cropsey suggests, Smith showed that individual interests and general interests do not necessarily contradict each other. He concludes from his studies that '[t]he reconciliation of the private good and the common good by the medium not of coercion but of freedom, on the basis of moral duty, had perhaps never been seen before' Smith. [53]

On the basis of this more historical approach to the relationship between private good and common or public good, Smith, on the one hand, justifies commercial society against the defenders of feudal privileges, and on the other hand, reflects upon the structures of commercial or civil society and criticises them. According to Cropsey's interpretation of Smith's work, Smith differentiates between 'the system of natural liberty' in which 'things were left to follow their natural course, where there was perfect liberty'[54] and conditions of liberty existing within commercial or civil society. He thus suggests that Smith saw a contradiction between the conception of natural liberty and the moral order of commercial society. '... Smith had recourse to the tension between nature and the moral order derived from it, leaving the reconciliation inevitably imperfect. From this germ grew the teaching as to the moral imperfection of the natural or best order of society – the free, prosperous, and tolerant civil society. In its self-understanding, capitalism thus anticipated the chief post-capitalistic criticism: civil society is a defective solution of

[52] Teichgraeber (1982), pp. 251-261.
[53] Cropsey (1975), p. 139.
[54] WN I.x.a.1

the human problem.'[55] Cropsey suggests then 'that Smith advocated capitalism because it makes freedom possible - not because it *is* freedom.'[56]

2. 3 How the Adam Smith Problem may be approached

I understand this thesis as a contribution to the historical approach. However, in my analysis of the Adam Smith Problem, I also make use of and develop arguments of the kind used by those who adopt the defensive approach, since any historical approach must also make use of a textual-analytical approach. But unlike the defensive approach, I put forward the claim that the Adam Smith Problem cannot be said to be a 'pseudo-problem' or 'not a problem at all'. In agreement with the historical approach, I suggest that the Adam Smith Problem should be dealt with as a real-world problem arising from the social structure in commercial society. In other words, I agree with those scholars who claim that there is a contradiction between Smith's anthropological assertions in TMS and WN. I disagree with them, however, with regard to the question whether this problem should be ascribed conceptually to Smith.

To suggest that we should ascribe this problem conceptually to Smith, would in consequence mean that we should also lay aside his critical assessment of commercial society and read WN merely from a positivist point of view. Further, to claim that the Adam Smith Problem is a 'pseudo-problem' or 'not a problem at all' would result in an underestimation of Smith's insight into the contradiction between the moral requirements of the socio-psychological constitution of human nature and

[55] Cropsey (1975), p. 152.
[56] Cropsey (1957), p. x.

our situation in commercial society. In short, the solution which I endeavour to develop in this thesis to the Adam Smith Problem starts from the position that it should be accepted that there is a problem, but argues that this problem should not be regarded as a conceptual problem of Smith's. It should rather be regarded as a real problem arising from the social structure of commercial society itself and one which seems to have been addressed and dealt with by Smith himself.

However, although I understand this thesis as a contribution to the historical approach, I will be emphasising much more strongly than others who adopt this approach the role of Smith's historical anticipations about the future development of society - that is, his *utopia* - in a solution to the Adam Smith Problem. (I will explain what I mean by Smith's utopia later in this introduction). Further, my approach to this differs crucially from that of most scholars who refer to this aspect of Smith's work. Almost all scholars (such as Cropsey) who refer to the tension between Smith's treatment of the system of natural liberty and the system of liberty in commercial society seem to suggest that Smith is not consistent or not consistent enough in the conclusions he draws from his insight into this tension. As opposed to these scholars, I will argue that Smith is consistent and that he endeavours to show how this tension might be overcome in the framework of his utopian society. I will be returning in my conclusions in Part V to a more detailed discussion of the specific respects in which I differ in my historical approach from other historical approaches.

Finally, before presenting an outline of the main elements of the thesis in the next section, I will make some comments regarding my use of the term

'anthropological'. I claim that TMS and WN present different *anthropologies*, or what are often referred to as different views of *human nature*. However, this is not to say that they present rival conceptions of a *permanent* human nature. In my view, Smith considers that human nature varies as society changes. Views of human nature, therefore, are to be understood in terms of the forms of society to which these views relate. My suggestion, then, is that the differing views of human nature set out in TMS and WN are to be understood in this fashion. The different 'anthropologies' in TMS and WN are to be accounted for by pointing to real differences between forms of social life. In more general terms, an attempt to resolve the Adam Smith problem must see questions about human nature in the context of Smith's approach to real-world social and political issues. It must approach the problem not merely in an 'anthropological' but in what I have referred to as a 'historical' way.

3. An outline of the thesis

Putting aside this Introduction and the Conclusion, which comprise Parts I and V, this thesis consists of three main parts, which focus in turn on TMS, WN, and (what I shall argue is) Smith's critique of commercial society and his utopia.

In Part II, I will be dealing with Smith's anthropological view in TMS. This, I shall argue, is best represented as a theory of *social individuality*. I will work this out under the heading of Smith's theory of 'the constitution of the self' and I will describe his social theory in this context as an *open and progressive system of mutual sympathy* or *recognition*. In order to present Smith's theory of the constitution of the self, I shall refer back to Smith's epistemological theory. There I will show that

Smith explores a mirror theoretical approach according to which individuals can only be social individuals. That is to suggest that Smith, like Leibniz in his *monadology*, regards individuals as living mirrors or "ensembles" of their whole social relations. By working out his theory of the constitution of the self, I will demonstrate what his mirror theory is and how it operates in Smith's works.

In this context, I will point out that Smith's mirror theoretical approach consists of two complementary and progressive epistemological stages. In the *first stage*, according to Smith, we cognise and understand others as they are in-themselves and for-themselves. We do this by placing ourselves in the situation of others by making use of our capacity of imagination. In the *second stage*, we make value judgements about others' actions in the most comprehensive sense. Smith describes this epistemological process of cognition, understanding and value judgment as the sole source of our own values. In other words, according to Smith's mirror theoretical approach, without others we can hardly have any values – least of all a hierarchy of values on the basis of which we judge and act. This is the reason why individuals, according to Smith, can only be social individuals and this is also the reason why Smith deals with the constitution of the self as a progressive process of mutual constitution.

Having worked this out, I will turn to Smith's theory of action. I will stress mainly two aspects of this theory. *Firstly*, I would like to show that Smith employs a comprehensive theory of action. He regards not only practical action as a form of action but also emotional and intellectual action in our inner world. This account of

Smith's theory of action will culminate in my claim that Smith's theory of ethics should not be seen merely as a theory of moral judgment, but as a moral theory of action encompassing the theory of moral judgement. *Secondly*, I am going to suggest that Smith's theory of action is a non-utilitarian theory. As opposed to Hume, who endeavours to combine in his theory of action the principles of utility and sympathy, and unlike Bentham, who develops a pure utilitarian theory of action, Smith utilises a theory of action that is developed on the basis of the principle of sympathy.

My exploration of Smith's theory of the mutual constitution of the self will thus culminate in his theory of mutual sympathy or mutual recognition. This means that we necessarily sympathise with one another. In other words, according to Smith, the contribution to others' happiness must be the end of our actions because their happiness is necessarily also our own happiness. Because of this we must see others as our own other selves just as we also expect to be recognised by others as their other selves.

In the next part of the thesis, Part III, I will turn to WN to examine Smith's account of the situation of the self in commercial society. *First*, on the basis of his conception of the division of labour, I am going to explore the question of how Smith explains the genesis of commercial society. *Second*, on the basis of his explanation, I would like to point out that the division of labour turns individuals into "isolated monads", in the sense that everybody works for himself without any regard for others. *Third*, I will examine his account of the self in commercial society at two levels – in commercial exchange relations and in the sphere of production.

In the sphere of commercial exchange-relations, on Smith's account, there is no mutual sympathy and recognition. In these relations, individuals meet one another merely formally as their equals and therefore approach one another not from the viewpoint of their individual qualities but only as an amount of quantitative exchangeable values. I will argue that, according to Smith's account, in commercial exchange relations there prevail only the principles of utility and nihilism, which are totally opposed to the fundamental categories of Smith's ethics.

In the sphere of production, I will approach Smith's account of the situation of the self from two different angles, namely the horizontal and vertical divisions of labour, that is, the technical and social divisions of labour. There Smith deals with two different forms of alienation. The first is the alienation between the individual and society because their 'good offices', due to the horizontal division of labour, are restricted to a certain sphere of production. In other words, they are alienated from society because they are excluded from all other spheres of production, which lie beyond their own sphere of production. The second form of alienation points to social class conflicts in commercial society. According to Smith's account of the vertical or social division of labour, in the sphere of production we do not meet individuals as individuals but as personifications of one of the three social classes, either manufacturers or landlords or labourers. I will argue, therefore, that, according to Smith, there is no mutual sympathy between these social classes but a permanent clash of their interests.

Having done this, I will arrive at a stage where I can pose the question of what this account of the situation of the individual in commercial society means for Smith's theory of mutual sympathy or mutual recognition. I will assert that in commercial society individuals do not aim consciously to regard one another as their other selves but necessarily as their antagonists and that they do not aim at contributing to one another's happiness without any expectation of gain but that they permanently fight against one another as adversaries.

To indicate the full extent of this contradiction between Smith's theory of social individuality as developed fully in TMS and his account of the situation of the self in the age of commercial society as given in WN, I will conclude Part III by setting out a comparison between the two. On this basis I will then be able to pose the question of whether Smith formulates any critique of this real-world 'Adam Smith Problem'. I will argue that although Smith can in some respects be seen as 'justifying' commercial society, this justification was not an absolute but a historical one. That is to say that Smith does not regard commercial society as the end of history.

In Part IV, I will suggest that Smith formulates in almost all respects a critique of commercial society, though he quite often formulates it in the form of a critical description. I will also argue that Smith's critique of commercial society is founded already in his epistemological theory. But even his descriptive examination of the situation of the self in commercial society provides a kind of more or less explicit critique. Here it is important to see not only *what* Smith describes but also *how* he

describes it. I will also point to his four more explicit fundamental critiques of commercial society: of the division of labour, of the class structure, of the structure of communication and of the structure of mutual recognition. I will suggest that Smith operates in his critique of commercial society with some fundamental immanent categories: *authenticity*, when he criticises the forms of alienation; *openness and trust*, when he criticise the structure of communication, and *mutual sympathy* or *recognition*, when he criticises the structure of recognition in commercial society.

In my exploration of Smith's critique of the situation of the self as affected by the division of labour, I will be focusing on his account of the distribution of time among different social classes. In this connection, I would like to point out that Smith sees a kind of structural time-problem because, unlike the people of the ruling classes who start working when they are around 18 years of age, the labourers have to start working in their very early childhood when they are approximately 7 years old and they have to work from morning to night. Therefore, compared with the people of the ruling classes who have more than sufficient leisure to develop themselves 'in *every branch* either of useful or ornamental knowledge'[57], the labourers have hardly any spare time to educate themselves and hence become stupid and ignorant.

I will approach Smith's critique of the social class structure of commercial society from what I believe is a new angle, namely from his theory of life. In TMS, Smith defines life as a game, which, in order to fulfil oneself, should be played

[57] WN V.i.f.52.

seriously without any regard to loss and gain. In WN, he examines what this game looks like in commercial society. He works it out with regard to three main social classes in commercial society: labourers, landlords and manufacturers, the last two of which he subsumes under his term 'masters'. In relation to labourers he points out that they suffer, due to the distribution of time from a contradiction between necessity and 'liberty'. They must go either for necessity or freedom. If they go for freedom they would have nothing to play their game. If they go for necessity, in this case they are condemned to come and go without any name. That is to say that in this case life means to them nothing but a burden. In either case, whether they go for freedom or necessity they can only lose their game because they must either sacrifice their freedom in order to exist physically or they must beg or die if they go for freedom. In short, they cannot play their game and have therefore nothing to lose. In the case of masters and landlords, though they can, unlike the labourers, provide themselves with the conveniences of life and therefore enjoy their life; their life, however, looks like a game of poker. From Smith's point of view masters and landlords play poker at the expense of the whole society. They can regard their gain not as a loss and their loss not as a gain. If some of them gain, they ruin others and if they lose they ruin themselves – in either case with disastrous consequences for the whole society because they administer the wealth of society as private persons.

Having presented Smith's critique of the situation of the self in commercial society, I will suggest in the final sections of Part IV that despite the fact that Smith seems to be sceptical about the possibility of utopia, he draws nonetheless from his critique a kind of framework for utopian society. To show that my interpretation is

consistent with Smith's overall work, I will look at his arguments against Hume's and Mandeville's moral scepticism, because these are closely connected to his *conditional* justification of the possibility of utopia: when Smith argues for the possibility of morality, he must also somehow argue for the possibility of utopia because their sceptical challenges threatened to undermine the fundamental concepts of his ethics. I shall argue that when Smith endeavours to show how morality may be possible, he responds thereby to Hume's sceptical claim that it is impossible for human beings to regard one another as their second selves and to Mandeville's claim that a virtuous life is impossible.

I will conclude Part IV by turning to Smith's explicitly formulated "scepticism" about the possibility of the realisation of utopia in WN. I shall argue that when we examine closely the reasoning behind this scepticism, we will see that he does not altogether reject the possibility of utopia, but rather that he employs what may be described as a "realist" or "immanent" utopia, unlike traditional conceptions of an "ideal" utopia. In other words, Smith endeavours to integrate the conception of utopia as a form of critique into his account of reality, that is, into his account of commercial society. I will also suggest that, unlike traditional conceptions of utopia, Smith does not give a full description of an ideal society to come. Rather, he prefers to analyse and criticise existing social relations and to deduce from this a kind of vague framework towards which society might tend to evolve in the future. More specifically, by considering his remarks in WN (IV.ii.43) about Free Trade, James Harrington's *Oceana* and Thomas More's *Utopia*, I shall argue that the first two of these, which remain within an essentially *distributivist* paradigm, would be regarded

by Smith as (relatively) short-term aims, while the third, which breaks fundamentally with the logic of commercial society, can be seen as the long-term aim, and hence as the future-historical solution to the Adam Smith Problem.

Part II: Smith's theory of social individuality in the *Theory of Moral Sentiments*

The question at the core of the debate on the Adam Smith Problem is whether Smith's work contains two irreconcilable - an egoistic and an altruistic - anthropological views. As Smith himself deals with this question under the heading of the constitution of the self, I would like to follow his line of thought and deal with this question under the heading of the constitution of the self, too. Smith deals with this question, on the one hand, as a real problem existing in commercial society, and on the other hand, as a philosophical problem that prevails in modern philosophy at least since Descartes. In other words, his work may be seen as a historical and systematic critical reflection or mirror of the dualism between the individual and society that has been prevailing in different forms in social relations throughout history. Particularly, he endeavours to give an accurate account of the dualism between individual and society in commercial society in the 18th century. But Smith's work may at the same time be read as a critical mirror of the debates on the constitution of the self since Descartes.

This issue was placed on the agenda of modern philosophy by the occurrence of individualistic and individualising market-based social relations on a broad scale and has been discussed at least since Edmund Husserl's *Cartesian Meditations* under the heading of the *constitution of the self*. The philosophical dualism occurred as modern philosophy was endeavouring to provide a philosophical answer to the question of how can cognition and knowledge from an individual's or a cognising subject's point of view be claimed to be objectively valid.

Though modern philosophy has discussed the above-mentioned problem since Husserl's *Cartesian Meditations* under the heading of the constitution of the self, Smith discussed this issue earlier and explicitly under the heading of 'the constitution of human nature'[58]. Therefore, in my thesis I do not only aim at providing a solution to the Adam Smith Problem but I also suggest that many of the questions arising from the debates on the constitution of the self may be answered by returning to Smith.

By relying mainly on TMS I would like, *firstly,* to reconstruct the descriptive-systematic-cognitive aspects of Smith's theory of the constitution of the self as an answer to philosophical dualism; *secondly*, to present Smith's historical account of the individual in commercial society as a reflection of the real dualism between the individual and society in commercial society; and *thirdly*, to work out the prescriptive aspects of his theory of social individuality as a possible solution to the individualism in commercial society, which he formulates within the framework of his utopia.

1. What is crucial to the theory of the constitution of the self?

In order to work out Smith's methodological approach to the constitution of the self, let us first state the issue at stake by turning to Smith's essay *Considerations Concerning the First Formation of Languages.* Already in the first passage of his essay he says that if

[58] TMS III.3.29.

> '[t]wo savages who had never been taught to speak, but had been bred up remote from the societies of men, would naturally begin to form that language by which they would endeavour to make their mutual wants intelligible to each other, by uttering certain sounds, whenever they meant to denote certain objects.'[59]

What does Smith describe here? He endeavours to give a comprehensive description of the human condition at a micro level of social relations. According to Smith's account the human condition seems to have an ontological and an epistemological aspect. He appears to refer to its ontological aspect when he points to external objects as "denoted" by sounds. These external objects seem to symbolise the natural foundation of human society. In any further advance of human society, these "sounds", as Smith calls them, will be accompanied and partly replaced by words. The denotation itself will become more complex and abstract. His reference to denotation seems point to the epistemological aspect of human condition. These donatations are mediated by using sounds as an early form of language. In short, Smith seems to describe here the epistemologically mediated ontological foundation of the human condition at a micro level of social relations.

We may describe this whole complex situation nicely and more accurately by referring to a passage from Hussel's *Cartesian Meditations*. Husserl says:

> 'I perceive the others and as real beings, in changeable, unanimous manifolds of experience, namely, on the one hand, as objects of the world; not merely as natural things (though as to one aspect also this). They are, however, also experienced as psychical acting beings in their natural bodies. Therefore, they are "in" the world as "psychic-physical" objects interwoven with bodies in a peculiar way. On the other hand, I experience them at the same time as subjects for this world, as experiencing this world, and the same world which I, my self,

[59] Languages, in: LRBL, p.203, §1.

> experience, and thereby I experience me, as how I experience them and in this I experience the others.'[60]

Whether Husserl's own methodological approach is appropriate to this description of the human condition need not concern us here. Let us rather concentrate on working out what this description reveals. *Firstly*, we all perceive and cognise ourselves in relation to one another and in relation to the external natural world in its broad sense. We perceive and cognise ourselves, in other words, in relation to the external inorganic natural world and in relation to the animal world. Our relations to the external natural world refer to the ontological foundation of the constitution of the self and our relations to one another reveal the epistemological mediation of this ontological and sociological constitution. *Secondly*, we all perceive and cognise ourselves in relation to one another and in relation to our social world. Our social world consists of three constituent subordinated worlds. The first is the external material world: it is constituted gradually by the appropriation or humanisation of nature through our productive activity of labour. The second world refers to our social relations. It is mediated by the satisfaction of our external and internal needs. The third world points to our emotional and ideal, or in short: to our internal world. It is supposed to be a critical mirror of our external natural and social world. It arises from the socialisation of human beings. *Thirdly,* we perceive and cognise others in relation to one another and in relation to us; *fourthly*, we perceive and cognise ourselves in relation to others and to ourselves.

[60] Husserl (1992), vol. 8, p.93.

This is the situation in which we are always placed. It has in general something to do with the constitution of the self. That all these elements contribute to the constitution of the self seems to be obvious and therefore not controversial. All sorts of social theories, of course each in its own way, deal with these elements as constituting elements of the self. They differ crucially, however, from one another in their answers to the question about the point of departure. The question at stake is where to start and how to arrange all these elements in relation to one another. In other words, in the debate about the constitution of the self the question of starting-point seems to be of crucial importance: where to begin in our theoretical attempt to grasp the constitution of the self objectively, that is, as it takes place in reality, so that we can draw from this some normative criteria.

This question seems to be the most essential one because it defines the character of our theory. In other words, the point of departure decides whether our theory is constructivist or subjectivist or naturalist; whether it takes into account objective and subjective aspects at the same time, as is the case with Smith's theory; whether it leads to the principle of utilitarianism or tolerance or to the principle of non-utilitarian and non-contractualist mutual recognition such as Smith puts forward.

2. Smith's objective and critical theoretical approach

2. 1 Where to begin?

One of the main questions since Descartes which modern philosophy endeavours to answer is the question about the constitution of the self. It is the

question of impartiality that is central. On the one hand, in other words, what are the means and foundations of the cognition of one's self and of other selves? On the other hand, what are the means and foundations of the judgement about one's self and about the other selves so that our judgments can be seen as impartial and therefore objectively valid? Hans Heinz Holz hits the nail on the head when he asserts that: 'the logicality of thought constitutes the unity of subjectivity and objectivity, i.e. the objectivity of subjective and the subjectivity of the strategy of justification of objective. The question how this ontological requirement of an epistemological subjectivism can be secured in a way that it does not fall into relativism and agnosticism, how, therefore, the logicality of thought as the correspondence of logicality of being was to show – this question remained the continuous concern of the great systems of philosophies of modern times since Descartes.'[61] Smith endeavours to provide an all-encompassing answer to these issues. Since in his theory of the constitution of the self, Smith endeavours to take into account all the dimensions of the constitution of the self, it may even be claimed that it is unique – particularly from an epistemological point of view.

In order to grasp this comprehensiveness of Smith's approach, unlike many scholars I suggest we begin our analysis with Smith's only explicit mirror passage in TMS. Many scholars who want to show that Smith was not an individualist start their exposition usually with the very first paragraph of TMS. However, the very first paragraph is a very complex and a programmatic one. It is descriptive and prescriptive at the same time, and calls forth a range of Smith's other theories such as

[61] Holz (1997), vol. 1, p. 137.

cognition, judgement, decision, action, equality and inequality, and solidarity. It already anticipates all the arguments which Smith unfolds in the second half of TMS.

However, in the first half of TMS we may find, except for some indirect arguments, hardly any direct attempt to lay down the foundations of the constitution of the self. There are even passages which give us at first sight the impression as if we are dealing with a Cartesian. In the very first sentence of the second paragraph of TMS he asserts for example: 'as we have no immediate experience of what other men feel, we can form no idea of the manner in which they are affected, but by conceiving what we ourselves should feel in the like situation.'[62] In this passage Smith takes the constitution of the self for granted. He is concerned, rather, with the question of how we can understand the other self. He seems to suggest that one must judge others by oneself. His sophisticated arguments about the constitution of the self by others are at first sight not obvious. In other words, if we do not take into account all his considerations about the constitution of the self in the second half of TMS, he may not appear entirely Cartesian but he would also not appear unlike a Cartesian.

However, Smith's point of departure for the constitution of the self stands in diametrical opposition to that of Descartes, whether we take his early or his later writings. Smith says neither 'I think therefore I exist' nor 'I think and feel therefore I exist' as he would seem to suggest in the above-quoted passage. To make sense of the principle which serves as Smith's starting-point we might formulate it as follows: 'we all seek and fight throughout our life for mutual sympathy and mutual recognition therefore we exist'. Therefore, unlike many scholars who start their

[62] TMS I.i.1.2.

interpretation of Smith's socio-anthropology with the very first paragraph of TMS, I suggest we begin our analysis with his only explicit mirror passage which is less complex and less prescriptive but which contains almost all aspects of Smith theory of the constitution of the self as a social being.

Smith's Mirror theory serves as one of the organising principles throughout his whole work. Though he refers explicitly to it only once, Smith employs mirror theory implicitly from the beginning of his theory of the constitution of the self. He asserts for example already in the first paragraph of TMS: '[t]hat we often derive sorrow from the sorrow of others...'[63] He explores here a mirror theory implicitly. His assertion that we derive sorrows from others' sorrows and that others derive sorrows form our sorrows implies a mirror theoretical approach as others' sorrows mirror themselves in us and our sorrows reflect themselves in others.

However, this is not to suggest that I am questioning the logic of Smith's approach to the constitution of the self. On the contrary, I think that Smith's starting-point is consistent with his mirror theoretical approach to the constitution of the self. When, unlike the Cartesian subjectivist approach, Smith's mirror approach implies that the self cannot be constituted prior to the constitution of the other self he must begin with considerations about the constitution of the other self before he can come to deal with the questions about the constitution of the self.

What I am suggesting, in other words, does not run against Smith's principle. What I am suggesting is merely that we should put a principle at the beginning of our

[63] TMS I.i.1.1.

exposition, which works as an organising principle implicitly in TMS until we come to his mirror paragraph. In doing so we may be able to show why the principles of mirror and progress as they are employed as organising principles in TMS require one another. Therefore, I think that in the presentation of Smith's system, we could put his mirror theory and its implications at the beginning of our presentation, without doing any harm to his approach.

Let us first quote the passage I am referring to: in his explicit mirror passage in which Smith criticises methodological individualism, he asks rhetorically: '[w]ere it possible that a human creature could grow up to manhood in some solitary place, without any communication with his own *species*, he could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, or of beauty or deformity of his own mind, than of the beauty or deformity of his face. All these are objects which he cannot easily *see*, *which naturally he does not look at*, and with regard to which he is provided with no *mirror* which can present them to his view. Bring him into society, and he is immediately provided with the *mirror* which he wanted before.' [64] This is of course a much more complex passage than it may at first sight appear. Smith refers here to a range of his theories. Therefore, I am not inclined to give a detailed analysis of it at this stage. It should be sufficient here to point out that Smith defines human beings in an analogy with Leibniz's monads as mirrors to one another, which reveals also his inter-subjective progressive approach as it is naturally required by his mirror theory.[65]

---

[64] TMS III.1.3 (italics added).

[65] The mirror theory as employed by Smith is a metaphorical use of the mirror. As a theoretical device it was made use of as early as in the classical Greek philosophy. A satisfactory answer to the question

2. 2 Smith's starting point in his theory of the constitution of the self

In modern times Smith's theory of the constitution of the self is neither the first nor the only one. At least since Descartes there has been a vast tradition of different theories about the constitution of the self. First of all among theories about the constitution of the self, we may differentiate along with Fichte, between those theorists who begin to develop their theories of the constitution of the self with the self and those theorists who start developing their theories about the constitution of the self with the constitution of the other self. Fichte calls them 'two entirely consistent systems': the 'Critical which recognises the boundary' of 'I am', and what he calls (wrongly) 'Spinozism' which wants to 'cross' the boundary of 'I am'.[66] Unlike the Cartesians Smith develops his theory of the constitution of the self with the constitution of the other self. The main difficulty facing philosophers who choose the Cartesian *cogito ergo sum,* or any other form of it, as their starting-point is how

---

about what the mirror theory is cannot be given here. It would require either more extensive or a separate work to do this. However, if we go through this part of the thesis we may see how it works in Smith's theory of the constitution of the self.
The origins of Smith's mirror theory are usually traced back to a passage of Hume's *Treatise.* In that passage Hume refers to the minds of men as mirrors to one another. 'In general', Hume asserts in that passage, 'we may remark, that the minds of men are mirrors to one another, not only because they reflect each others emotions, but also because those rays of passions, sentiments and opinions may be often reverberated, and may decay away by insensible degrees.' (cf. Hume 1978, p. 365) The editors of TMS refer to this passage explicitly as the source of Smith's mirror theory. (cf. TMS, p. 110n) Indeed, if we consider the fact that Smith read the *Treatise* during his studies at Oxford (because of which he was 'reprimanded') there may be a good reason for supposing that Smith could have come across the mirror theory first in Hume's *Treatise.* However, I think that there are reasonable grounds to broaden the background of Smith's mirror theory. For, I think, on the one hand, that Hume's reference to the mirror theory seems to be rather accidental; and when we take into account his agnosticism and his individualism in his epistemological, social and political theory we may claim that he seems to have not been entirely aware of the importance of mirror theory for epistemology, moral philosophy and least of all for social and political theory; and on the other hand, and more importantly, in modern times the mirror theory was established by Leibniz particularly in a very compact way within the framework of his theory of monads long before Hume. Therefore, in order to grasp the whole background of Smith's mirror theory we must relate it particularly to Leibniz's mirror theory. In doing so we may also be able to work out Smith's contribution to the modern theory of mirror, which is badly neglected. However, because of the complexity of the topic this can only be done in a separate thesis.
[66] Fichte (1988), p. 21.

this self who is constituted *prior to* the constitution of the other self can include, cognise and recognise others as they are in themselves and for themselves as Hegel asserted in his critical analysis of Fichte's principle of I=I.[67]

Smith seems to have anticipated the whole discussion in the 19th and 20th centuries about the starting-point in the theory of the constitution of the self. For he develops in his theory, as opposed to Descartes, a starting-point which historically speaking can hardly be overvalued. In order to see what Smith's starting point is and how he develops it, let us begin the exposition of his theory with the subtitle of TMS from the first edition. The first edition of TMS was announced in the title as follows: 'THE THEORY OF MORAL SENTIMENTS; OR, An ESSAY towards an Analysis of the Principles by which Men *naturally* judge concerning the Conduct and Character. First of their Neighbours, and afterwards of themselves.'[68]

Although Smith withdrew the subtitle from the sixth edition published in 1790, he did not change the logical structure of it. Let us for example have a look at the table of contents of TMS. In the first part of TMS, Smith lays down some of the fundamental principles of his Common-Sense philosophy of ethics. After having established, in the first chapter, sympathy as a means and foundation of communication, he defines, in the second chapter, society as a system of mutual recognition. In the third and fourth chapters he deals with '*Of manner in which we*

[67] Hegel (1996), p. 53. Hegel developed his final solution to this problem in his *Science of Logic*. Though he solved the problem based on the principle of objective idealism his principle does not read unlike that of Smith, namely that we must begin with the other self rather than with oneself (Cf. Hegel (1993), pp. 64-80).
[68] Cf. Smith (1994), p. 276 (italics added).

judge of the propriety or impropriety of the Affections of other Men...'[69] He comes then in 'PART III' to deal with the '... Foundation of our *Judgements concerning our own Sentiments and Conduct...*'[70] In order to make his methodological approach clear, Smith states: '[i]n the two foregoing parts of this discourse, I have chiefly considered the origin and foundation of our judgements concerning the sentiments and conduct of others. I come now to consider more particularly the origin of those concerning our own.'[71] Therefore, though Smith withdrew the subtitle from the sixth edition of TMS he kept to the original logical structure of it.

However, the question which necessarily arises here is why Smith begins his consideration about the constitution of the self with 'Principles by which Men *naturally* judge concerning the Conduct and Character ... of *their Neighbours*' instead of, as is common, with the cognition and judgement of oneself? In other words, why does Smith begin his considerations about the constitution of the self with questions which obviously concern the constitution of other selves? Why should we be concerned in the first place about the constitution of the other selves when we want to develop a theory of the constitution of the self? In order to work out Smith's background considerations, let us first consider the consequences of the theories of the constitution of the self that begin not with the constitution of the other self but (in direct opposition to Smith) with the constitution of the self.

Firstly, let us return to Smith's mirror passage and answer his rhetorical question for the time being affirmatively; let us consequently admit that it was indeed

[69] Cf. TMS, contents, p. 5 (italics added).
[70] Cf. TMS, p. 6 (italics added).
[71] TMS III.i.1.

'possible to a human creature' to 'grow up to manhood in some solitary place, without any communication with his own species'. In other words, let us indeed admit that the constitution of the absolute cognising subject is possible *prior to* nature and society, as Descartes' formula of *cogito ergo sum* implies, and as Kant, Fichte, early Schelling and all other methodological individualists take for granted - each in his own way of course. Smith's objection to this supposition is not founded on formal logic. Based on formal logic, it might be possible to develop an individualist or solipsistic theory of the constitution of the self, but not on the basis of an *onto*-logic, that is, on the basis of a science of being as being, which unlike formal logic wants to grasp reality in all its complexity and contradiction, and to deduce critically its categories in their relation to one another from reality.

As a criticism of this solipsistic tradition of epistemological theory, Smith asserts rightly that if it were possible '[t]o a man who from his birth was a stranger to society, the objects of his passions, the external bodies which either pleased or hurt him, would occupy his whole attention.' But how about his passions, wishes, desires or aversion, his joys, sorrows, plans and projects? In short, how about the whole internal world of such a solitary 'human being'? Could they become the object of his considerations? Can he look into himself merely by means of himself, that is, without any relation to others, as Fichte claims?[72]

> 'The passions themselves, the desires or aversions, the joys or sorrows, which those objects excited though of all things the most immediately present to him, could never interest him so much as to call upon his attentive consideration. The consideration of his joy could in him excite

[72] Fichte (1988), p. 15n.

> no new joy, nor that of his sorrow any new sorrow, though the consideration of the causes of those passions might often excite both.'[73]

What does Smith say here? "Suppose", he seems to say implying the starting-point of the solipsistic tradition, "it was possible for a human being to grow up remote from human society; in this case he might have existed physically. However, he could develop hardly any psychic or internal world without which there can hardly be any self-image. Even if we should accept that he or she could develop an internal world, this would be a very limited internal world and it would remain naïve." This seems to be one of the background considerations of his mirror passage when he argues against the solipsistic Cartesian tradition. This supposed 'solitary' human being, if he 'could grow up remote from human society', 'could no more think of his own character, of the propriety or demerit of his own sentiments and conduct, or of beauty or deformity of his own mind, than of the beauty or deformity of his face. All these are objects which he cannot easily *see*, *which naturally he does not look at*, and with regard to which he is provided with no *mirror* which can present them to his view.'

"Why not?", we may ask. Let us suppose there was indeed a single human being within the inanimate world who could exist like Robinson Crusoe on his own on his island. Could this supposed solitary "human being" develop an image of himself? "How should he", Smith would respond, "as there would not be any proper reaction to his feelings, passions, emotions, judgements and action that we can make judgement of." Pain and pleasure and consequently passions and desires are caused by unanimated, as well as by animated objects. Let us take a stone for example. '[w]e

[73] TMS III.1.3.

are angry, for a moment, even at a stone that hurts us. A child beats it, a dog barks at it, a coleric man is apt to curse it.' However,

> '[t]he least reflection, indeed, corrects this sentiment, and we soon become sensible, that what has no *feeling* is a very improper object of revenge. When the mischief, however, is very great, the object which caused it becomes disagreeable to us ever after, and we take pleasure to burn or destroy it. We should treat, in this manner, the instrument which had accidentally been the cause of the death of a friend, and we should often think ourselves guilty of a sort of inhumanity, if we neglected to vent this absurd sort of vengeance upon it.'[74]

Even if we take revenge on the stone or any other inanimate object that caused the pain, could this stone or any other inanimated object care about our revenge? Could it say that our revenge was just or unjust?

Let us consider exactly the opposite possibility. A 'sailor', for example, 'who, as soon as he got ashore, should mend his fire with the plank upon which he had just escaped from a shipwreck, would seem to be guilty of an unnatural action. We should expect that he would rather preserve it with care and affection, as a monument that was, in some measure, dear to him.'[75] Suppose the man admired the plank and therefore preserved it instead making his fire with it in order to avoid getting cold with all its consequences. Could this plank care about either being admired and preserved or serving as a means of mending the fire? Or if we fetishise the natural objects like the 'Dryards and the Lares of the ancients', or if we fetishise

[74] TMS II.iii.1.1.
[75] TMS II.iii.1.2.

commodities as we do in commercial society, could they care about our admiring attitude towards them?

If we bring 'other animals' into play it becomes of course more difficult. As Frank R. Wilson suggests, we learned and learn from other animals a lot. And strange as it sounds this learning from other animals has helped us a good deal in leaving behind the animals' world.[76] However, because of the fact that we do not share the same species with other animals, we learn from them, and they learn from us, only in a limited sense; there occur therefore lots of naturally-caused communicative difficulties and distortions. Because of this, the self-image of a 'single' human being would be not entirely a self-image of a human-being, as he would be lacking external and internal relation to his own species. That is to say, the self-image of Robinson Crusoe on his own with his animals on his island would be not a self-image of a human-being in its full sense.

Therefore, according to Smith if we suppose that it was possible for a human-being to grow up and exist without any relation to human society and to other animals, as is implied by solipsistic theories of the constitution of the self, he could develop hardly any internal world and consequently he would hardly be able to "look" into himself. However, if we bring this "solitary" human being

> '...into society, and he is immediately provided with the *mirror* which he wanted before. It is placed in the countenance and behaviour of those he lives with, which always mark when they enter into, and when they disapprove of his sentiments; and it is here that he first views the propriety and impropriety of his own passions themselves, the desires or aversions, the joys or sorrows, which those objects excited, though of all

[76] Wilson (2000), pp. 45-47.

> things the most immediately present to him, could scarce ever be the objects of his thoughts. The idea of them could never interest him so much as to call upon his attentive consideration. The consideration of his joy could excite in him no new joy, nor that of his sorrow, though the consideration of the causes of those passions might often excite both. Bring him into society, and all his own passions will immediately become the causes of new passions. He will observe that mankind approve of some of them, and are disgusted by others. He will be elevated in the one case, and cast down in the other; his desires and aversions, his joys and sorrows, will now often become the causes of new desires and new aversions, new joys and new sorrows: they will now, therefore, interest him deeply, and often call upon his most attentive consideration.'[77]

Therefore, in our theoretical attempt to grasp the constitution of the self we must always begin, even at a micro level, with social relations in the natural world as these two worlds present an inseparable ontological unity. These considerations show how consciously Smith chose the inter-subjective point of departure of his essay on the Considerations *Concerning the First Formation of Languages,* which serves also as a universal methodological device.

Secondly, however, for a well-founded theory of the constitution of the self it does not suffice to assert merely that we must set down for our considerations an inter-subjective starting-point. In our consideration, we must answer a further question. This question is about where to start if we depart from an inter-subjective starting-point: with the self or with the other self. We may decide about this question when we consider the difficulties of the solipsistic tradition.

[77] TMS III.1.3 (italics added).

As I have already indicated above, the main difficulty of all theorists of the constitution of the self, who unlike Smith, but following Descartes' formula of *cogito ergo sum,* exclude others prior to the constitution of the self, was to show convincingly how this already-constituted self can include others *posterior to* his own constitution. Individualist theorists like John Locke, John Stuart Mill, Jeremy Bentham, Friedrich A. Hayek and Robert Nozik may claim that the self does not need to include others; what he or she may need, they may claim, is to live with others based on utilitarian principles. That is to suggest that the self gets in touch with others only if they are of any use to him or her. However, such theories of the self failed and fail to grasp the complexity of human society as it may be studied in the "crisis writings" of Husserl: *Cartesian Meditations* and *Crisis of European Sciences.* Like Descates in his later writings, Husserl wanted to overcome the weaknesses of the Cartesian formula of *cogito ergo sum.*

However, even utilitarians must admit that we need one another and that we must acknowledge others. That we need others is an essential constituent part of the human situation. Therefore, in order to be able to go to others, Smith suggests that we must begin our consideration about the constitution of the self always with the constitution of the other self. This seems to be the reason why Smith begins his considerations with 'Principles by which Men *naturally* judge concerning the Conduct and Character ... of *their Neighbours*'.

3. Impartiality as the basis of mutual constitution

Smith's conception of impartiality is closely related to his conception of interest. And his conception of interest is closely connected to his conception of situation. Therefore, in order to become impartial in our judgements, Smith formulates some external and internal preconditions. External preconditions refer to social relations which are mediated mainly by means of external goods, whereas internal preconditions point to subjective requirements.

With regard to social relations, Smith suggests that they must be arranged in a way so that human beings, whether as agents or spectators, even in their everyday life, that is, even in their most spontaneous actions, can be put in a position where they can make objective judgements of others and of themselves without being concerned about the question whether they can thereby lose anything. Alternatively, in order to formulate it positively, social relations, according to Smith, must be arranged in a way so that human beings, whether as agents or spectators, can regard the consequences of their objective judgements always as a gain rather than as a loss. Without arranging social relations so that they can promote agents and spectators to judge objectively, whether in their own case or in that of others, all subjective attempts to judge objectively will either fail or they can be possible only in some social relations and not in others.

However, even if external social relations have been arranged in the best way, this does not suggest that human-beings would make automatically objectively-valid judgements. There are also some subjective preconditions, which must be fulfilled. I

examine here Smith's account of subjective requirements for objectively valid cognition, understanding and judgement. I will be dealing with external requirements when I come to deal with Smith's account of impartiality in commercial society. I refrain here, therefore, from discussing all often-contradictory social relations and suppose that situational differences between the agents and spectators do not promote partiality.

With regard to subjective requirements, Smith's theory of the constitution of the self consists of three complementary stages which are interwoven into one another inseparably: *firstly*, mutual cognition and understanding which itself consists of two sub-stages; *secondly*, mutual judgement; and *thirdly*, "mutual recognition" or mutual sympathy as he puts it. Let us begin with cognition and understanding of others and then move on to the second sub-stage, namely to self-cognition and self-understanding. After having explored both sides of mutual cognition and mutual understanding, let us then consider the second stage of Smith's theory of mutual judgement; after this, we shall examine, in the third stage, why Smith thinks that the principle of non-utilitarian mutual sympathy can be the only foundation of mutual constitution.

3. 1 How do we cognise and understand others and what do we understand from others?

The question of *how* we cognise and understand others involves necessarily the question of *what* we understand from others. These two questions are inseparably

linked, and can hardly be separated from one another. Though from the cognising subject's point of view the methodological question may seem sometimes to be the original one; however, according to Smith's mirror theoretical approach the question about what we understand from others seems to be the most original one with which any theory of communication must begin. We can obtain answers to the questions concerning the methodological approach from the analysis of the features of objects themselves to be cognised. Hence, the opening of the first chapter of TMS can be read as an answer to the question about *what*, namely to cognise and understand human beings as social beings, and the second paragraph as an answer to the question about *how*, namely to cognise and understand them as social beings by changing the situation vis-à-vis one another by means of *imagination* and *sympathy*. What I mean by this will be clear hereafter.

3. 1a Cognitive and epistemological difficulties

What do we cognise and understand when we cognise and understand others? We understand others obviously as human beings. To cognise and understand others as human beings means to cognise and understand them as they are in-themselves and for-themselves. We cognise and understand them with all their external natural and social relations and their internal world, with all their individual history, needs, passions, feelings, emotions, thoughts and projects. In short, to cognise and understand others means, according to Smith's mirror theoretical approach, to cognise and understand them from their perspective in their whole complexity as micro-worlds.

However, compared with this rather high demand on our perceptive and cognitive apparatus and capacity, there seems to be a huge disproportion between what needs to be cognised and understood as comprehensively as possible and what can be performed by our physiologically and socially constituted cognitive apparatus and capacity. There are perceptive and cognitive difficulties which need to be overcome before we can understand others. They stem from our cognitive apparatus and from the objects of cognition themselves. With regard to the cognition of others in relation to us and vice versa, there are at least three sets of difficulties with which Smith deals explicitly. *Firstly*, there are perceptive and cognitive difficulties, which derive from the fact that human beings are bodily separated from one another and accordingly have their separate physiological, perceptive and cognitive apparatus and psychological dispositions. *Secondly*, there are perceptive and cognitive difficulties which arise from the features of the object of perception and cognition themselves, that is, from the features of feelings, emotions, passions and thoughts. And *thirdly*, there are perceptive and cognitive difficulties deriving from social relations themselves. To the last-mentioned difficulties I will be coming later. Let us concentrate here on the other two sets of difficulties. However, before doing that, we should explore some of the main features of Smith's epistemology which underlie his discussion of the cognitive difficulties of passions.

Because Smith, as one of the most influential figures of the Scottish Enlightenment, develops his ethics and epistemology on the basis of the tradition of Scottish Common-Sense philosophy his work is sometimes read merely in the light of Hutcheson and Hume without taking into account the very important differences

between them. Therefore, his contribution to this tradition is often badly neglected by his critics. Of course, he develops his ethics and epistemology in this tradition but he gives the tradition a new turn. Because his contribution to this tradition is neglected he is sometimes counted along with Hume as empirist[78] and emotivist[79].

Smith's theory of ethics and epistemology is neither naturalist nor intuitionist. Smith would, though not with the same arguments and with the same intentions, agree with the emotivists' criticism of naturalism and intuitionism. However, this cannot be the criterion by which we judge whether a theory is emotivist or not. If it were we could count all those theories of ethics and epistemology which are non-naturalist and non-intuitionalist as emotivist.

The emotivist theory of ethics is established upon an epistemological position that can be described as 'radical empiricism'[80]. However, this cannot be claimed of the kind of empiricism employed by Smith. His philosophical aim is to overcome the artificial division of philosophy between rationalism and empiricism. From that point of view, the claim of the editors of TMS that Smith was 'in fact a firm empiricist and had little sympathy with rationalist philosophy'[81] is misleading.

One of the main features of emotivism is its claim that the fundamental terms of ethics cannot be analysed.[82] When we consider what pains Smith takes in order to analyse his fundamental conception of sympathy and the impartial spectator, we may see that Smith would have rejected that kind of scepticism and agnosticism. More

[78] Raphael (1975), in: Skinner and Wilson (1975), p. 85.
[79] Cf. for exmaple Kohlberg, L., Levine, Ch. and Hewer (1984), pp. 332, in: Kohlberg (1997).
[80] Ayer (1970), p. 141.
[81] Raphael and Macfie (1984), in: TMS, p. 22.
[82] Ayer (1970), p. 141.

importantly, the emotivist theory of ethics and its underlying epistemological theory is a subjectivist one. It takes for granted that moral judgements cannot be claimed to be objectively valid. According to emotivists, in the case of moral conflicts there cannot be any objective criteria by which they can be decided and solved. Smith's conception of the impartial spectator, as we will see hereafter, aims to develop an objective criterion for moral judgements. The reason why some commentators have the impression that Smith was an emotivist is probably that both in the emotivist theory of ethics and in Smith's theory of ethics emotions play an important role.

However, there are not only huge differences between their theories of emotions; they are totally contrary to each other. The theory of emotions in emotivism, though not developed, is a non-communicative expressionist one and represents merely subjective moral judgements.[83] In other words, the emotivists have the same subjectivist theory of emotions as is developed in the Kantian rationalist tradition; with the difference that while the latter discards emotions as the basis of an objective theory of ethics the former defines them positively and makes them the foundation of their theory of ethics.

In his ethics and epistemological theory, however, Smith endeavours to combine empirical and rational approaches. One of Smith's achievements in the 18th century was to overcome the narrow ethical and epistemological approaches of rationalists, sensualists and empirists. He regards not only sense perception and experience as the only source of our knowledge (as empirisists may claim) but also

[83] Ayer (1970), p. 142.

reason. Therefore, he speaks of 'reason and experience'[84] as the main sources of our knowledge. According to Smith's epistemological approach the appropriate analysis of any situation requires the combination of these two sources of cognition and knowledge.

Now, against the background of this epistemological approach we can turn to Smith's considerations about how the cognitive difficulties may be overcome.

Firstly, let us now illustrate the perceptive and cognitive difficulties by looking at the passions and work out Smith's suggestion as to how they may be overcome. Due to the fact that 'we have no immediate experience of what other men feel'[85] we cannot have any immediate conception and 'form no idea of the manner in which they are affected'[86]. In other words, if we remain within the boundaries of pure sensual perception we can hardly know what the other person really feels and thinks. Therefore, Smith asserts nicely '[t]hough our brother is upon the rack, as long as we ourselves are at our ease, our senses will never inform us of what he suffers.'[87] Smith's answer to this difficulty is not an empirist one as might appear at first sight. An empirist solution to this problem would imply that we must have been upon the rack before we can say that we understand somebody who is upon the rack. However, Smith's solution to this cognitive and communicative problem cannot be seen merely in the tradition of empiricism or emotivism as is sometimes claimed.

---

[84] History of Astronomy, in: EPS, p. 83.
[85] TMS I.i.1.2.
[86] TMS I.i.1.1.
[87] TMS I.i.1.2.

Therefore, if we observe in an agent, for example, the expression of any passion, we observe it as expressed in his actions in a particular form. The observation of this particular form of passion would cause another analogous passion in us. Smith defines the former as 'original passions'[88] and the latter as 'reflected passion[s]'[89]; the latter is the mirrored version of the former. Nonetheless, they are different though they differ from one another not with regard to their qualities but with regard to their degrees. Therefore, in order to understand the passions of others, these two similar but not identical passions must be reduced to a third or to a 'general idea' as Smith puts it. This general idea is always intrinsic to all particular forms of passions.

Secondly, however, there are difficulties with regard to the cognition of passions. These difficulties concern, in different forms, the cognition of their general ideas, their causes and consequences. There are passions for example, of which the expression may be misleading if their real cause is not known. In this context, Smith seems to differentiate between three classes of passions: these are agreeable, painful and provocative passions. In an analogy to primary and secondary qualities in epistemology, he differentiates between primary and 'secondary passions'. He does not use explicitly the expression "primary passions" but he uses explicitly the expression of 'secondary passions', which implies necessarily that there are also primary passions.[90] He seems to use the expression 'secondary passions' for all those passions which 'upon some occasions may seem to be transfused from one man to

[88] TMS I.i.3.1
[89] Cf. For example: TMS I.i.4.8.
[90] Cf. TMS I.ii.2.4.

another, instantaneously, and antecedent to any knowledge of what excited them in the person principally concerned.'[91]

Grief and joy, for example, if they are 'strongly expressed in the look and gestures of any one, at once affect the spectator with some degree of a like painful or agreeable emotion.'[92] Grief is a painful passion. Since we are mirrors of one another, as soon as we observe grief or any other painful passion in another person it causes immediately, that is, without any deep reflection, analogous pain and concern in us too. The same applies to other similar passions. Therefore, that 'we often derive sorrow from the sorrow of others is a matter of fact too obvious to require any instances to prove it'[93]. As soon as we observe a person suffering from grief or sorrow a similar passion arises immediately in us. Therefore, whether it is our own or others' misfortune we naturally attempt to resist and recoil from it.[94]

The same applies to agreeable passions though in an opposite way. If they are expressed in the action of the agent they cause usually analogous feelings in the observers. They can, therefore, sympathise with them easily. 'Joy', Smith says, 'is a pleasant emotion and we gladly abandon ourselves to it upon the slightest occasion.'[95] Smith makes a similar assertion with regard to the passion of love. The expression of love is for example always agreeable to the observer. 'There is in love a strong mixture of humanity, generosity, kindness, friendship, esteem; passions with which, of all others ... we have the greatest propensity to sympathize, even

[91] TMS I.i.1.6.
[92] TMS I.i.1.6.
[93] TMS I.i.1.1.
[94] Cf. TMS I.ii.5.3.
[95] TMS I.ii.5.3.

notwithstanding we are sensible that they are in some measure, excessive.'[96] The agreeable feelings in a face, for example, cause analogous agreeable feelings in the spectator. They reflect themselves then back to the person principally concerned and cause, in turn, in him agreeable feelings. In short, a 'smiling face is, to every body that sees it, a cheerful object; as a sorrowful countenance, on the other hand, is a melancholy one.'[97] Therefore, painful and agreeable passions 'seem to be transfused from one man to another, instantaneously, and antecedent to any knowledge of what excited them in the person principally concerned.'[98] And their 'general ideas', causes or motives and consequences might be cognised almost immediately.

However, there are other passions to which this principle of 'instantaneous transfusion' from one person to another may apply only in a very limited sense. These are the provocative passions. As opposed to the formerly-mentioned two classes of passions this class of passions may mislead the spectator if he remains in his cognitive concern within the boundaries of immediate observation. Anger, for example, if expressed furiously, causes at first sight disgust and provocation rather than corresponding feelings, emotions, passions, thoughts, or in short, sympathy in the observer. This difference stems from the nature of these passions. Whereas the immediate consequences of grief and joy are directed towards the sufferer, the immediate consequences of anger are directed to somebody else, whom the observer regards at first sight as victim of the sufferer of anger. Therefore, the provocative passions 'disgust and provoke us against' those who express them and at first sight

[96] TMS I.ii.2.5;
[97] TMS I.i.1.6.
[98] TMS I.i.1.6.

we tend to sympathise with the victim rather than with the sufferer though his anger may be justified.

Smith works out the difference between these three classes of passions very nicely. 'The general idea of good or bad fortune ... creates some concern for the person who has met with it, but the general idea of provocation excites no sympathy with the anger of the man who has received it. Nature, it seems, teaches us to be more averse to enter into this passion, and, till informed of its cause, to be disposed rather to take part against it.'[99]

The fact that some passions 'may seem to be transfused from one man to another, instantaneously, and antecedent to any knowledge' with regard to their cause 'does not hold universally, or with regard to every passion.'[100] Even those passions which seem to be transfused from one person to another immediately may be misleading. Grief and joy may cause some kind of concern or agreeable feelings in the observer. However, as long as we do not know the real cause of grief or joy our sympathy with the person principally concerned 'is always extremely imperfect'.[101]

However, if it is impossible to cognise and recognise feelings, emotions, passions, needs, thoughts at first sight in the immediate expression and situation, how can we cognise and recognise them; can we recognise them at all; can we therefore say that we can understand the other selves at all; or are we condemned to stick to agnosticism? If we should accept the principles of agnosticism this would in

[99] TMS I.i.1.8.
[100] TMS I.i.1.7.
[101] TMS I.i.1.9.

consequence mean that we have to accept human beings merely as phenomena, that is, as if there was nothing which they may share with one another. Let us now see what Smith's solution to these perceptive and cognitive challenges is.

3. 1b How imagination can help to overcome the epistemological difficulties?

Because of these above-mentioned perceptive and cognitive difficulties, Smith does not fall into agnosticism à la Hume or Kant. He does also not apply to intuition as subjectivist philosophers do, in order to escape from the difficulties under consideration. Neither the escape to agnosticism nor the subjectivist reference to intuition as one of the 'major' sources of cognition could contribute to the solution of the above-mentioned perceptive and cognitive problems. Smith's answer to the above-mentioned perceptive and cognitive challenges is unique – even considered in the light of present-day theories of communication and inter-subjective communicative theories of epistemology and action.

The capacity for understanding points, according to Smith, above all to the capacity of common sense or reason. Though, Smith asserts, 'it is altogether absurd and unintelligible to suppose that the first perception' for example 'of right and wrong can be derived from reason', though the 'first perceptions...' and 'all other experiments upon which any general rules are founded, cannot be the object of reason, but of immediate sense and feeling', it is, however, our capacity of 'reason' that 'is undoubtedly the source of the general rules of morality, and of all the moral

judgements which we form by means of' general rules. [102] Though Smith formulates this maxim in the context of his ethics, it is, however, also very illuminating for his underlying epistemological theory.

Therefore, if we remain within the boundaries of sense perception we can understand neither others nor ourselves. Smith suggests consequently that sense perception can never enable us to go beyond ourselves and understand others. 'They never did, and never can, carry us beyond our own person'.[103] However, this is exactly what we need in order to understand others and consequently to understand ourselves.

This was one of the main difficulties of sensualist philosophers. They cognised rightly that sense perception cannot carry us beyond ourselves. However, instead of looking for some other capacities which may carry human beings beyond their own person and enable them to understand others, sensualist philosophers concluded that human beings cannot go beyond themselves and therefore they must be egoistic. However, it seems to be obvious that human beings can talk to one another. When they can talk to one another even with a lot of difficulties and often distortions, when they can understand one another then they must somehow go beyond themselves. Otherwise, even the smallest conversation would be impossible. Therefore, Smith could not be satisfied with the consequences of any form of sensualism or agnosticism.

---

[102] TMS VII.iii.2.7 (italics added).
[103] TMS I.i.1.2.

In fact, Smith does not question the sensualist assertion of the egoistic 'nature' of human beings in the age of commercial society. What he questions is the *natural* justification of this egoism, the view that human beings were always egoistic and that they will remain forever as egoistic beings. He endeavours to explain this egoism historically, by an analysis of the social structure of commercial society, instead of subscribing to a naturalistic reference to the limits of sense perception. In commercial society, human beings are egoistic. They must be egoistic – at least in their commercial exchange relations. But they are not egoistic by nature. They must be egoistic because of the economic individualising and isolating structure of commercial society as it is analysed in WN. However, when human beings can communicate with one another and when they can even with a lot of distortions understand one another they must somehow go beyond themselves. Even in the smallest conversation they must consciously or unconsciously question - at least ideally - the individualistic structure of commercial society, which turns human beings economically into "Robinsonades" or into "isolated monads", to use one of Karl Marx's nice expressions.

But by means of what do human beings go beyond themselves, despite the fact that the structure of commercial society is turning human beings into egoistic beings or isolated monads? Smith says we can achieve the requirement of this mutual understanding only by means of our capacity of imagination. His conception of imagination is an essential part of his theory of communicative action. According to Smith's assessment, the capacity of imagination is a cognitive and intentional capacity, that is, it refers always beyond *what is* immediately present to the sense

perception. It implies necessarily also considerations about what else may be behind it. It is this intentionality of imagination which necessarily carries us beyond ourselves.

Therefore, in order to understand what others feel and think, we must, according to Smith, refer to our capacity of imagination. It is by this cognitive and intentional capacity of 'imagination [...] that we can form any conception of what'[104] others' sensations, feelings, emotions, passions, thoughts and projects are; or in short: how their inner world looks. By this capacity we are enabled to read and understand the inner world of others. However, how can our cognitive intentional capacity of imagination help us to cognise and recognise others' inner world? How can we by means of imagination understand others and thereby also ourselves? How can our capacity of imagination help us to cognise and understand passions in a way that we can protect us, on the one hand, against their possible subjectivist or false expression and, on the other hand, against being misled by the very nature of passions themselves?

Smith's answer to these questions is already formulated in the second paragraph of the first chapter of TMS, in which he refers to the capacity of imagination as the only human faculty that enables us to form a conception of the situation of others.

> 'Neither can that faculty [imagination,- DG] help us to this any other way than by representing to us what would be our own, if we were in his case. It is the impressions of our own senses only, not those of his, which our imaginations copy. By the imagination we place ourselves in his

[104] TMS I.i.1.2.

> *situation*, we conceive ourselves enduring all the same torments, we enter as it were into his body, and become in some measure the *same person* with him, and thence *form* some idea of his sensations, and even feel something which, though weaker in degree, is not altogether unlike them.'[105]

What does Smith say in this passage? Here we have another example of how Smith employs the Mirror theory. He deals with the imagination of the spectator as a mirror of the situation of the agent. In order to secure that this mirroring of the situation of the agent in the imagination of the spectator can take place as accurately as possible, he formulates at least two closely-interrelated prerequisites. In order to understand others, Smith suggests that we must, *firstly*, place ourselves in the situation of the agent, and *secondly*, we must become to some measure identical with him. If these two requirements are met, we start feeling almost the same feelings and thinking nearly the same thoughts. And this provides the spectator with necessary information so that he can cognise and understand the agent.

3. 1c The situation as the objective foundation of understanding

When others are our mirrors we must be sure that they mirror us as we are in-ourselves and for-ourselves. In a situation of communicative action there may sometimes be distortions involved and therefore we may not be reflected clearly or even in a rather distorted way. Therefore, in order to be sure that we are mirrored by others authentically, we must clear others from their possible subjectivist or false

[105] TMS I.i.1.2 (italics added).

reflections by an objective cognition and understanding of their internal world. The question how this can be done is a huge challenge to Smith's theory of the constitution of the self. In order to gain an objectively valid cognition and understanding of the passions, and to gain, in fact, any other expression of our internal world, we must, according to Smith, trace passions back to their objective foundations. According to Smith's mirror theoretical approach to the constitution of the self the foundation of our inner world is our external situation or circumstances. His theory of situation takes into account not only the immediate actual situation of communicative action in its broad sense. But it comprises the whole process by which human beings are socialised.

Smith's theory of situation has three complementary components. In his social relations, every person is always embedded into a general, concrete and actual situation. The first and second comprise the totality of objective and subjective conditions of experience and action in space and time; they refer to social and material conditions, social rank and class, socialisation in its most general sense including education. They form durable emotional and intellectual capacities and actualise themselves in any new situation of action in the form of value judgement - judgement about right and wrong. It is the second which gives to these durable emotional and intellectual dispositions a particular turn and brings them into play according to the immediate situation of communicative action. This actual situation of communicative action is, taken in its full sense, a unique situation and can seldom be repeated. Based on the durable emotional and intellectual dispositions, everybody

acts according to his or her concrete and actual situation of communicative action, and aims at the satisfaction of his or her bodily or intellectual passions or needs.

Now, Smith seems to suggest that we must cognise and understand human beings against the background of all this whole complex and dialectically unified situation when we want to cognise and understand their internal world; and, unless we cognise and understand them, we cannot understand ourselves.

As we may see from what has been said, Smith defines the internal world of human beings as mirrors of their external historical natural and social world. He formulates this very nicely in the context of his theory of character. 'The different situations of different ages and countries are apt ... to give different characters to the generality of those who live in them, and their sentiments to the generality of those who live in them, and their sentiments concerning the particular degree of each quality, that is either blameable or praise-worthy vary, according to that degree which is usual in their own country, and in their own times.'[106] Smith's treatment of epistemological and moral relativity and universality, which he formulates in this passage, I will be dealing with later. What is more important here for the issue at stake is his definition of character. In his conception of character he considers the whole internal world of human beings. According to Smith's approach character mirrors the external historical situation, the natural and social relations in a certain society in a certain age. In other words, like Leibniz's monads, the character of human beings, according to Smith's approach, mirrors their natural and social

[106] TMS V.2.7.

relations from their particular perspective. The particular perspective of each individual arises from his situation.

This is, however, not to suggest that their internal world is identical with or a naïve copy of their external world. On the contrary, it may differ in many respects from their external world or it may even stand in contradiction to their external world. However, this does not necessarily disqualify the external world as the only objective basis of their feelings, emotions, passions, thoughts and projects. When we want to understand and judge others, that is, to constitute others on some kind of reliable objective foundations, we must not do this merely on the view of passions etc. But we must do this by going back to the objective foundations of passions which arise from, or mirror, or express, the situation. 'Sympathy, therefore,' says Smith, 'does not arise so much from the view of the passions, as from that of the situation which excites it.'[107]

Therefore, in order to understand or to constitute others we must, according to Smith, place ourselves by means of imagination into their situation or, as he puts it elsewhere, 'by changing places in fancy'[108] we must bring their cases 'home to ourselves'[109] and thereby take up their mirroring perspective of their natural and social relations; in other words, we must put on their 'looking-glass' and view the world from their perspective. Only after having endeavoured as much as we can to put ourselves into the situation of others, after having brought home to ourselves 'every little circumstance' they are placed in, after having adopted their whole case

[107] TMS I.i.1.10.
[108] TMS I.i.1.3.
[109] Cf. TMS V.2.5.

'with all its minutest incidents'[110], we begin to feel almost the same feelings, sentiments, emotions, passions, to think almost the same thoughts and to have almost the same projects as correspond to the situation of the agent.

This is the only way, says Smith, in which we can become undistorted mirrors of one another. Smith subsumes this process of the taking up of the perspective, or putting on the 'looking-glass' of the agent, under his term of 'sympathy' or 'fellow-feeling', in its descriptive sense, in the sense that it describes the process of placing of oneself in the situation of and becoming the 'same person' as the agent. If we place ourselves in fancy into the situation of the agent, if we become in some measure the same person and endeavour 'what is perhaps impossible ... to regard it with his present reason and judgement'[111], there arises 'the correspondence of others with our own'[112] internal world. That is to suggest that there arises between the spectator and the agent those 'sympathetic sentiment(s)'[113], 'sympathetic emotions'[114] and 'sympathetic passions'[115].

After having gained these sympathetic feelings, sentiments, emotions, passions and thoughts according to Smith's mirror theoretical approach we can begin to constitute, that is, to cognise, understand and make judgements of others; if these requirements concerning the process of sympathising with the agent are at least approximately fulfilled, we can claim to have begun to constitute others in their four-dimensionality in space and time; that is, we can be said to have begun to constitute

[110] TMS I.i.4.6.
[111] TMS I.i.1.11.
[112] TMS I.i.2.2.
[113] TMS I.i.4.7.
[114] TMS I.i.3.1.
[115] TMS I.ii.5.3.

others objectively in relation to their past, present and future, from their particular point of view in their totality. This is the first stage towards the constitution of others.

3. 2 How do we cognise and understand ourselves by means of the mirrors of others?

Let us now turn to the questions concerning the cognition and understanding of ourselves in relation to others, that is, to Smith's second sub-stage of mutual constitution of the self. Smith deals with these questions explicitly in 'Part III' of TMS. He devotes the first chapter to primarily descriptive aspects of the constitution of the self; it is entitled as '*Of the Principle of Self-appropriation and of Self-disappropriation*'. He declares there what he has been doing in the foregoing two parts and what he is going to do now, namely in the first two parts he has been considering chiefly, 'the origin and foundation of our judgements concerning the sentiments and conduct of others'[116] and he is coming 'now to consider *more particularly* the origin of those concerning our own.'[117] In order to put it in modern words, in the first two parts he has been dealing with the constitution of other selves. In the third part, he is going to deal with the constitution of the self.

At first sight, based on what has been said about the taking up of the perspective of others in order to cognise and understand them, we may expect Smith to say that we must return to our own perspective in order to understand and judge of ourselves. However, Smith can go along with this expectation only to some extent.

---

[116] TMS III.i.1.1.
[117] TMS III.i.1.1 (italics added).

Indeed, in one sense Smith suggests that we must return to our own perspective in order to cognise and understand ourselves. However, this return to our own perspective is not a return to the Cartesian principle of *cogito* which would undermine all that has been said in the first sub-stage about the constitution of other selves. This would in consequence mean that Smith is suggesting two entirely opposite principles for the constitution of the self and attempting to mediate between two irreconcilable theoretical devices, that is, between the *mirror* and the *cogito* approaches to the constitution of the self, like Sartre, for example, in his *Being and Nothingness.* But Smith remains consistent in his mirror theoretical approach.

In another sense, however, it is not a return merely to our own perspective. It is a return to our own perspective from others' point of view. What does this mean? In order to cognise and understand others, we must take up their own perspective by placing ourselves by means of imagination into their situation. In order to cognise and understand ourselves we must return to our own perspective by placing us in fancy into the situation of another self. At first sight this may sound strange and even paradoxical. How can we return to our own perspective, cognise, understand and make judgement of ourselves, when we are already in our situation and accordingly we have already taken up our own perspective? How can we bring our own case home to us if it is already at home? How can we return to our own perspective when we place ourselves by means of imagination into the situation of another self?

The question we had to deal with above was how we can and how we do cognise and understand others from their own perspective objectively. In order to avoid falling into their possible subjectivism deriving possibly from their false

consciousness we must trace their passions etc back to their external situation; in order to avoid making judgements about them based on our possible subjectivism, deriving possibly partly from the immediate view of their passions and from our own cognitive disposition we must place ourselves into their situation and endeavour to feel and think like them; we must endeavour, in short, to sympathise with them in a descriptive sense. However, does this same principle apply when we pose the same question about ourselves? At first sight, we know how we feel and think and we can obviously sympathise with ourselves. Otherwise, we cannot act at all.

The problem may be clearer when we define the question more accurately. We had above to deal with the question not so much about finding out how others feel and think at first sight; we may observe this in the immediate expression of their passions for example; but we had at the same time to find out whether they feel, think and act in accordance with their objective situation. In our own case, the question is not only about whether we know or believe we know how we feel, think and act, but at the same time about the judging of ourselves. We need to know, that is, whether we feel, think and act in accordance with our own objective situation. In short, it is the question about how we can make ourselves the object of our own considerations. Smith seems to say that the same methodological approach we stick to when we make judgements of others applies also to our own case when we make judgements of ourselves. Therefore, when he comes to deal with the questions about the constitution of the self he poses the question about how we can cognise, understand and make judgement of ourselves objectively.

In the above-quoted passage, after having declared what he has been doing in the foregoing two parts and what he is going to do in the third part of TMS, Smith goes on and asserts that

> '[t]he principle by which we naturally either approve or disapprove of our own conduct, seems to be altogether the same with that by which we exercise the like judgements concerning the conduct of other people. We either approve or disapprove of the conduct of another man according as we feel that, when we bring his case home to ourselves, we either can or cannot entirely sympathize with the sentiments and motives which directed it. And, in the same manner, we either approve or disapprove of our own conduct, according as we feel that, when we place ourselves in the situation of another man, and view it, as it were, with his eyes and from his station'.[118]

However, how can we place ourselves 'in the situation of another man', and how can we view our own conduct from his or her perspective when we want at the same time to judge of our own conduct from our own perspective, objectively? It is exactly this seeming paradox that we have to explain.

Although Smith's subject is as complex as the subject of Kant's *Critique of pure Reason,* in order to explain it he does not develop a huge structure of categories as Kant does. In Kant's epistemological theory we must explore a huge structure of categories before we can come to a cognitive conclusion. Smith's explanation of his seeming cognitive paradox is not as difficult as it sounds. Smith asserts that what he is going to say about the understanding of oneself takes place constantly in reality in all inter-subjective situations of communicative actions. 'As they are [spectators,-DG] constantly considering what they themselves would feel,' asserts Smith nicely,

[118] TMS III.1.2.

'if they actually were the sufferers, so he [the agent,- DG] is as constantly led to imagine in what manner he would be affected if he was only one of the spectators of his own situation.'[119] However, due to the structure of commercial society, it takes place in a distorted way, because the structure of commercial society distorts our inter-subjective situation of communicative actions so that what we constantly do in our everyday life becomes almost invisible.

This seems to be one of the main reasons why what Smith says may appear to many an inexplicable paradox. I will be dealing with Smith's answer to the challenge put forward by the structure of commercial society later. However, despite the distorting structure of commercial society, what takes place constantly in our everyday life can be made clear. It can be brought to the fore and made understandable or, in other words, it can be brought to our consciousness.

In order to understand what Smith says about the understanding and judgement of ourselves we must refrain from the subjectivist and individualistic structure of commercial society – at least for a moment. In order to grasp Smith's meaning we must throw overboard all the subjectivist criteria and values, which we have internalised through our socialisation. We must question all the traditional utilitarian values according to which we have to keep to our own stance and regard others merely as a source of our own profit. In short, we must question the view that we are "not allowed" to reflect upon our feelings, emotions, passions, thoughts, projects, and least of all upon our actions seen critically from a general point of view.

[119] TMS I.i.4.8.

In order to understand Smith's answer to this seeming paradox, we must, at least for a moment, disregard all the empiricist and subjectivist criteria and values which we must at the end of the day rely upon in commercial society. Otherwise, we cannot exist at all. In short, we must dare to think of the framework of a society which is entirely different from commercial society. In this imagined society the original Christian maxim of 'to love our neighbour as we love ourselves'[120] may not be an empty phrase with an alienated validity as it in commercial society. On the contrary, it would an undistorted fact. Otherwise, we may not be able to understand Smith's answer to the above-formulated seeming paradox.

In order to explain this above-formulated seeming paradox, we must refer again to Smith's mirror passage. In this passage, Smith explains the above-formulated paradox by offering an analogy for the internalisation process of our criteria and values through socialisation. Let us look at this passage again where he explains the genesis of our values. 'It is evident', says Smith, '... that we are anxious about our own beauty and deformity, only upon account of its affect upon others. If we had no connextion with society, we should be altogether indifferent about either.'[121] Smith explains here the genesis of our aesthetic values. However, if we consider what he says about the genesis of our aesthetic values in its context then it becomes clear that he uses them merely as an example in order to make his point: to explain the genesis of all the criteria and values on the basis of which we judge.

[120] TMS I.i.5.5.
[121] TMS III.1.4.

He explains the process of the internalisation of our values, again by using aesthetic values as an example, as follows:

> '[o]ur *first ideas* of personal beauty and deformity are drawn from the shape and appearance of others, not from our own. We soon become sensible, however, that others, exercise the same criticism upon us. We are pleased when they approve of our figure, and are disobliged when they seem to be disgusted. We become anxious to know how far our appearance deserves either their blame or approbation.'[122]

By means of others, we become, according to Smith's mirror theoretical approach, aware of our own qualities. In this passage Smith makes two important assertions.

Firstly, he defines others as the source of our values. 'Our *first ideas* of personal beauty and deformity', and we can now say all other values, 'are drawn from the shape and appearance of others, not from our own.' As we see, Smith employs here the mirror theory in order to explain the genesis of our values. Our values are not produced from within as the *cogito* principle implies but they are drawn from without and internalised through criticism. However, our criticism of the appearance of others does not terminate in us. On the contrary, it is reflected back to the agent so that he can develop his own personal image in relation to us.

Secondly, the same process takes place also in relation to us. The other selves develop their own values by means of observation of our shape, appearance and behaviour. By means of our criticism of their criticism of us, that is by means of the reflection of ourselves through others back to us, we develop our own image in relation to others. Smith describes this process of the development of mutual self-image in human beings in his even from a contemporary point of view unique

[122] TMS III.1.4 (italics added).

principle of *to see us as others would see us*[123]. This is the device, according to Smith, by which we make ourselves the object of our own considerations: to see ourselves us as others would see us.

As I have suggested earlier when we follow Smith, we cognise and understand and judge of ourselves methodologically exactly in the same way, as we cognise and understand and judge of other selves. There is, however, one important difference which Smith takes for granted and therefore does not mention explicitly at the first stage of cognition and reflection. At the second stage of cognition and reflection, that is, when we have brought the case of others home to ourselves, our look is directed towards other selves in its literal and figurative senses. On the one hand, our look is directed literally towards other selves as they stand before us and whom we consider against the background of their whole situation, and on the other hand, our "look" is directed by means of our internal sense towards other selves as they are mirrored in us.

When we cognise, understand and judge of ourselves in relation to others, our look is directed towards ourselves. When we cognise and understand others in relation to ourselves we place ourselves by means of imagination in their situation and make judgement of their passions expressed in their actions from their objective perspective. When we cognise and understand ourselves in relation to others, however, we place ourselves into the situation of other selves and gain thereby a kind of distance from ourselves; that is to suggest that we "put" ourselves before ourselves and judge of our passions expressed in our actions from their point of view, that is

[123] Cf. for example TMS III.1.6.

from a distance to ourselves. 'We begin, upon this account [upon the account of an actual inter-subjective situation of communicative action,-DG], says Smith, 'to examine our own passions and conduct, and to consider how these must appear to them, by considering how they would appear to us if in their situation.'[124]

However, how do we do this if there is not an actual other person present? 'We suppose ourselves the spectators of our own behaviour, and endeavour to imagine what effect it would, in this light, produce upon us. This is the only looking-glass by which we can, in some measure, with the eyes of other people, scrutinize the propriety of own conduct.'[125] However, how can we suppose ourselves the spectators of our own behaviour?

Let us look at a paragraph in which Smith himself answers the question of how we can examine ourselves if there is not an actual other self present.

> 'When I endeavour to examine my own conduct, when I endeavour to pass sentence upon it, either to approve or condemn it, it is evident that, in all such cases, I divide myself, as it were, into *two persons*; and *that I*, the examiner and judge, represent a different character from that *other I*, the person whose conduct is examined into and judged of. The first is the spectator, whose sentiments with regard to my own conduct I endeavour to enter into, by placing myself in his situation, and by considering how it would appear to me, when seen from that particular point of view. The second is the agent, the person whom I properly call myself, and of whose conduct, under the character of a spectator, I was endeavouring to form some opinion. The first is the judge; the second the person judged of. But that the judge should, in every respect, be the same with the person judged of, is as impossible, as that the cause should, in every respect, be the same with the effect.'[126]

[124] TMS III.1.5.
[125] TMS III.1.5.
[126] TMS III.1.6 (italics added).

This is the device by means of which we can cognise, understand and constitute, that is, negate and affirm, or, in Smith's own words: 'approve' and 'disapprove' of ourselves in relation to others.

> 'We can never survey our own sentiments and motives, we can never form any judgement concerning them; unless we remove ourselves, from our own natural station, and endeavour to view them as at a certain distance from us. But we can do this in no other way than by endeavouring to view them with the eyes of other people, or as other people are likely to view them. Whatever judgement we can form concerning them, accordingly, must always bear some secret reference, either to what are, or to what, upon a certain condition, would be, or to what, we imagine, ought to be the judgement of others. We endeavour to examine our own conduct as we imagine any other fair and *impartial spectator* would examine it. If, upon placing ourselves in his situation, we thoroughly enter into all the passions and motives which influenced it, we approve of it by sympathy with the appropriation of this supposed equitable judge. If otherwise, we enter into his disapprobation, and condemn it.'[127]

Smith's metaphorical notion of an 'impartial spectator' brings us to the next set of considerations with which I dealt above implicitly.

3.3 Smith's theory of mutual judgement

I have worked out above Smith's theory of mutual cognition and understanding. We cognise and understand others objectively only when we place ourselves by means of imagination in their situation, bring their case home to us and consider their case from their particular objective perspective. We cognise and understand ourselves objectively when we place ourselves into the situation of others, either real or supposed, and look at ourselves from their point of view.

---

[127] TMS III.1.2 (italics added).

However, Smith's theory of mutual constitution comprises not only mutual cognition and understanding but also mutual judgement and sympathy or "recognition". All these processes of mutual constitution can hardly be separated from one another. When we consider for example the question about the situation of the agent: the question: 'what does his situation look like?' anticipates already the question about whether his or her feelings, passions, thoughts and projects, in short, his or her actions correspond to his or her situation. This shows, however, that we necessarily judge already in the process of cognition and understanding; and we cognise and understand always in the process of judgement. It is, in other words, an ongoing and endless integrative and communicative process of mutual cognition, understanding and judgement, in which we permanently verify our cognition, understanding and judgement. Nonetheless, for analytical reasons, we may draw a line between the first and second stages of the constitution of the self.

A. The difference between the process of mutual cognition-understanding and the process of mutual judgement

As far as I can see, there are at least three implicit or explicit major differences between Smith's treatment of mutual cognition and understanding, on the one hand, and his treatment of judgement, on the other. The first major difference concerns the very question which we ask at these two different stages or processes. The second major difference relates to the nature of the correspondence of the sentiments which we produce in these two different but at the same time integrative processes of mutual constitution. The third major difference refers to Smith's theory of action

Firstly, the main question which we pose at the stage of mutual cognition and understanding relates to *"what is this that I observe?"*, whereas the main question which we ask at the level of judgement, concerns *"how is this that I observe*?". In the first stage of Smith's theory of mutual constitution, that is, at the stage of his theory of mutual cognition and understanding, we ask questions about the situation, personal qualities, immediate aims in the actual situation of communicative action, and the short and about long-term projects of the agent. "What", we ask, "does his situation look like?" "How does and must he feel and think according to his situation?" "What may be his aims in this actual situation of communicative action?" "What might be his or her short and long term projects?" At the second stage of his theory of mutual constitution, that is, at the stage of mutual judgement, there come into play normative aspects and value judgements.

Secondly, the second issue arises of the difference between the correspondence of the sentiments, which we produce in the process of cognition and understanding, on the one hand, and in the process of judgement, on the other. The methodological device of the process of mutual judgement is the same as in that of mutual cognition and understanding. We judge of others '...upon bringing the case [of others,- DG] home to our own breast...'[128], that is, by considering their case as if it was our own case; and we judge of our own case 'by placing ourselves before a looking-glass, or by some such expedient, endeavour, as much as possible, to view ourselves at a distance and with the eyes of other people'[129], that is, as if it were the case of others. This process of changing places with others by means of imagination, whether we

[128] TMS I.i.3.9.
[129] TMS III.i.5.

judge of the case of others or of that of ourselves, is suggested by Smith as a kind of social process of objectification of knowledge and judgement of others and of ourselves.

However, there is an essential difference between the correspondence of the sentiments, which we produce in the process of mutual cognition and understanding *on the one hand* and the correspondence which we produce in the process of mutual judgement *on the other.* Both in the process of cognition and understanding and in the process of judgement, we produce a correspondence of feelings, emotions, passions and thoughts, or, in short, correspondence between sentiments. The difference concerns, however, the nature of this correspondence in both of these processes. The correspondence, which we produce in the process of cognition and understanding of others, is the correspondence between their *original sentiments* and their *reflected or mirrored sentiments* in us. In the process of cognition and understanding, by placing ourselves by means of imagination into the situation of the agent, we must reproduce or reconstruct his or her feelings, emotions, passions and thoughts in ourselves. In other words, it is the agent who is prescriptive in the process of cognition and understanding; he prescribes to us his or her whole feelings, emotions, passions, thoughts and values as what must be cognised and understood. When we cognise and understand others, we refrain as much as possible from our own situation, and from all our sentiments which arise from it, and become in some measure the same person as them. Therefore, we cognise and understand the agent as he is in and for himself. The sympathy, in short, which we produce in the process of cognition and understanding of others, occurs between their original and reflected or

mirrored sentiments. The correspondence which we produce in the process of self cognition and understanding, is the correspondence between our *original sentiments* and the *reflected sentiments* which we obtain when we place ourselves in the situation of another real or supposed person, and 'look' at ourselves from his point of view.

However, the correspondence between the sentiments, which we produce in the process of judgement of others, is a correspondence between their *reflected* or *mirrored sentiments in us* and our own reflected or mirrored sentiments which we obtain when we look at ourselves from another real or supposed person's point of view. And, the correspondence which we produce in the process of the judgement of ourselves, is the correspondence between our reflected sentiments in ourselves, which is mirrored through others back to us, and the reflected or mirrored sentiments of another real or supposed person, which we maintain when we place ourselves in his or her situation. In short, in the process of cognition and understanding, we go out of ourselves into others and 'look' into ourselves in order to observe either others as reflected in us or ourselves as reflected by others back to us. In the process of judgement, however, in a certain sense we return to ourselves. Though we still remain in others in order to have the position of an impartial observer, we return to ourselves and go into ourselves. We judge about the propriety either of others' actions as reflected into us or our actions as reflected through others back into us.

This sounds at first sight very abstract. However, this is not an arbitrary abstraction and least of all it is merely an invention of Smith's. On the contrary, he thinks that this description corresponds to a real open social process of the

objectification of knowledge, which constantly takes place in reality in our everyday life. Without it, Smith thinks, we cannot communicate at all. The very act of speech as a particular form of action - that is, the expression of our feelings, emotions, passions and thoughts - is an act of going out of ourselves, as A.L. Feuerbach observed. It is an act of the opening our inner world and attempting to mediate it to others. The drive to mediate ourselves to others is an 'original drive', a 'drive of truth' or as Smith would put it: it is a drive to sympathise, which unifies us.[130]

What Smith means by this process of objectification could not be described better than by Smith himself.

> 'As they [spectators,-DG] are continually placing themselves in his [in the agent's,-DG] situation, and thence conceiving emotions similar to what he feels; so he [the agent,- DG] is as constantly placing himself in theirs, and thence conceiving some degree of that coolness about his own fortune, with which he is sensible that they will view it. As they are constantly considering what they themselves would feel, if they actually were the sufferers, so he is as constantly led to imagine in what manner he would be affected if he was only one of the spectators of his own situation. As their sympathy makes them look at it, in some measure, with his eyes, so his sympathy makes them look at it, in some measure, with theirs, especially when in their presence and acting under their observation: and as the reflected passions, which he thus conceives, is much weaker than the original one, it necessarily abates the violence of what he felt before he came into their presence, before he began to recollect in what manner they would be affected by it, and to view his situation in this candid and impartial light.'[131]

When we consider what I have just said about the production of mutual correspondence between the sentiments of others and that of ourselves in the process

[130] Cf. Feuerbach (1980), p. 37.
[131] TMS I.i.4.8.

of judgement, we may observe that the original subjective sentiments or passions, with which we had to deal in the process of mutual cognition and understanding, turned themselves into objectified subjective sentiments or passions. They do no longer differ merely in degree but, when we compare them with the original sentiments or passions, they differ now in kind. This is exactly what is needed, according to Smith, in order to bring about a correspondence between feelings, emotions, passions and thoughts, in short, in order to communicate openly with one another, so that the harmony in society at least with regard to the internal world can be preserved.

However, the conceptions of correspondence and harmony which Smith calls for between and among feelings, emotions, passions and thoughts should not be understood in the sense of identity. Smith is realistic enough in order not to fall into the rigorist conception of identity which has prevailed at least since the Stoics. In real life, he thinks, this kind of mutual absolute identification can hardly take place. If it should take place then this can only happen in the private sphere which cannot be the object of public consideration. Smith says, for example,

> '[w]hat they [spectators,- DG] feel, will, indeed, always be, in some respects, different from what he [the person principally concerned,- DG] feels, and compassion can never be exactly the same with original sorrow; because the secret consciousness that the change of situations, from which the sympathetic sentiments arise, is but imaginary, not only lowers it in degree, but, in some measure, varies it in kind, and gives it a quite different modification. These two sentiments [original and sympathetic,-DG], however, may, it is evident, have such correspondence with one another, as it is sufficient for the harmony of society. Though they never will be unisons, they may be concords, and this is all that is wanted or required.'[132]

[132] TMS I.i.4.7.

Thirdly, with regard to the third major difference between the process of mutual cognition and understanding, on the one hand, and the process of mutual judgment, on the other: Smith's moral philosophy is generally described as a theory of moral judgement.[133] Indeed, in Smith's theory of ethics his theory of judgement plays a very crucial role. However, this does not suggest that Smith's theory of ethics can be reduced to a theory of moral judgement. The fact that in Smith's account of ethics his theory of judgement stands in the foreground is understandable, and explicable when we consider that Smith deals with the process of mutual judgement as at the same time, a process of the emergence and the development of our values. Of course, Smith is above all concerned about the explanation of the genesis of our values as may be seen from his mirror-passage. When he suggests that the process of mutual cognition, understanding and judgement is at the same time a process of the emergence and the development of our values, he must then put his theory of mutual judgement at the foreground of the presentation of his theory of ethics. However, this does not suggest that Smith's theory of ethics can be reduced to a theory of moral judgement or can be regarded merely or mainly as a judgement theory of ethics.

However, there is another reason why Smith's theory of ethics appears to be merely a theory of moral judgment rather than a theory of ethics in its comprehensive sense. Though Smith's theory of action is an integral part of his theory of mutual cognition and understanding it is not immediately visible. Though the process of mutual cognition and understanding is as dynamic as the process of mutual judgement, that is to say, though we observe, cognise and understand others while

[133] Cf. for example Raphael (1975), in: Skinner and Wilson (1975), p. 85.

they act, in order to make clear his principle of placing oneself into the situation of the other, Smith pushes this aspect of his theory of mutual cognition and understanding into the background. But there is a further more objective reason why in Smith's theory of mutual cognition and understanding the action lies at the background. Though the agent whose action we judge of is permanently in motion like the river-example of Heraclites, in order to be able to place ourselves into his situation we must think of him, like in a film, as if he was stopped in the middle of his action. We must suppose in our imagination that he has stopped so that we can put ourselves by means of imagination into his situation. Otherwise, in our imagination, if we should not suppose the agent to have stopped, we cannot place ourselves into his situation.

In order to grasp Smith's theory of ethics in its entirety we must also take into account what we judge of others and of ourselves when we make judgements. What is the object of our judgements, if we make judgements? The object of our judgements is obviously the actions both of others and of ourselves in their broadest sense. In effect, according to Smith's treatment even the very act of judgement itself is a particular form of action.

> 'Man was made for action, and to promote by the exertion of his faculties such changes in the *external circumstances* both of himself and others, as may seem most favourable to the happiness of all.'[134]

He continues further down in the same paragraph:

> '[h]e is made to know, that praise of good intentions, without the merit of good offices, will be but of little avail to excite either the loudest

[134] TMS. II.iii.3.3.

> acclamations of the world, or even the highest degree of self-applause. The man who has performed no single action of importance, but whose whole conversation and deportment express the justest, the noblest, and most generous sentiments, can be entitled to demand no very high reward, even though his inutility should be owing to nothing but the want of an opportunity to serve. We can still refuse it him without blame. We still ask him, What have you done? What actual service can you produce, to entitle you to so great a recompense? We esteem you, and love you; but we owe you nothing'[135]

Though Smith is rather rigorous in his assertions, when he says '...we owe you nothing...', which contradicts in effect his most essential principles, he deals with action and judgement as prerequisite conceptions for one another. Therefore, Smith's theory of ethics may be said to be not only a judgement theory of ethics but above all a theory of action, which includes necessarily also his theory of judgement. Otherwise, it could not have been a theory of ethics. It could have been merely a contemplative theory of decision and judgement but hardly a theory of ethics.

B. Smith's theory of action

Smith develops his theory of action, *on the one hand,* against the background of ancient Greek and Roman theories of action, particularly against the background of the Peripetetic and Stoic theories of action, *and on the other hand,* against the background of modern Scottish-European theories of action. To work out how Smith draws his theory of action from all these different sources and how he differs from all these traditions would require an extensive thesis of its own.[136] Therefore, I would

[135] TMS II.iii.3.3.
[136] Cf. TMS VII.

like to concentrate on describing, even though in a schematic way, some of the main aspects of Smith's theory of action.

B. 1 Necessity and freedom in Smith's theory of action

Smith's theory of action is conceptualised in a very comprehensive way. Within his theory of action, Smith does not deal with objective and subjective aspects or with the conceptions of necessity and freedom as irreconcilable conceptions, but he brings them together and deals with them as different but at the same time as complementary conceptions. According to Smith's treatment, actions have always a cause or some causes. They may have either external or internal cause(s) or both external and internal cause(s) at the same time. They may be traced back to external and/or internal needs or to bodily and/or intellectual needs. However, they have always a cause or some causes. Smith deals with action also as a certain movement of the agent towards an object - ideal and/or natural alike. In order to state the point in more general terms: agents aim always by means of their actions at a goal, namely at avoiding pain and enjoying pleasure or at satisfying their external and internal needs.

These two aspects of Smith's theory of action may be regarded as ontological and teleological aspects of his theory of action. As far as the theory of judgement concerned, any mirror theoretical approach, like that of Smith, to the judgement of action must consider all these aspects and set them in relation to one another. If, like Hobbes, for example, only the cause of action is taken into account this theory of

action would be a mechanical objectivist approach. If, like Kant, for example, it takes only freedom, will, or intention into account it would end up in a subjectivist approach. Therefore, any objective-dialectical approach must combine these aspects of action into a comprehensive theory, and consider them in their whole unitary complexity and in their internal relation to one another as objects of judgement. Therefore, as Smith writes:

> '[t]he sentiments or affection of the heart from which any action proceeds, and upon which its whole virtue or vice must ultimately depend, may be considered under two different aspects, or in two different relations; first, in relation to the cause which excites it, or the motive which gives occasion to it; and secondly, in relation to the end which it proposes, or the effect which it tends to produce.'[137]

We may observe already in this short passage that Smith refers to all those above-mentioned aspects of action at the same time.

B. 2 Smith's theory of action as communicative

Smith develops and employs within his theory of the mutual constitution of the self a theory of communicative action. According to Smith, all our actions are, in effect, in one way or another, communicative actions. They may involve others or ourselves. They may involve others either really or ideally in the form of values and criteria. But they are always communicative.

For example, Smith formulates this idea that communication is essential or existential to human beings both in relation to emotional as well as psychic distress

[137] TMS I.i.3.5.

and disorder. Although by speaking about their misfortune human beings apparently renew their sorrow they are however 'relieved when they have found out a person to whom they can communicate the cause of their sorrow? Upon his sympathy, they seem to disburthen themselves of a part of their distress: he is not improperly said to *share* it with them. He not only feels a sorrow of the same kind with that which they feel, but as if he had derived a part of it to himself, what he feels seems to alleviate the weight of what they feel.'[138] Thus all situations of communicative action are in this or that way acts of sharing either sorrows or joys. Therefore, in one way or another, if we are willing to communicate, and if we are often forced by a kind of internal drive, we are all interested in sharing.

However, Smith formulates this idea not only with regard to psychic and emotional distress or disorder; he formulates the same idea also as a criticism of those philosophers who understand by theorising or philosophising merely contemplation.

> 'Society and conversation, therefore are the most powerful remedies for restoring the mind to its tranquillity, if, at any time, it has unfortunately lost it; as well as the best preservatives of that equal and happy temper, which is so necessary to self-satisfaction and enjoyment. Men of retirement and speculation, who are apt to sit brooding at home over either grief or resentment, though they may often have more humanity, more generosity, and a nicer sense of honour, yet seldom possess that equality of temper which is so common among men of the world.'[139]

[138] TMS I.i.2.4 (italics added).
[139] TMS I.i.4.10.

Therefore, the 'men of retirement and speculation' often lack those means of communication because they live enclosed, that is, socially-alienated lives.

However, Smith's theory of communicative action is not merely a linguistic theory of communicative action in a present-day sense. Unlike many theorists, such as George H. Mead, Jürgen Habermas and many others, Smith's theory of communicative action takes into account not only the "speech situation". It aims at taking the whole situation in its broadest sense into account, and it aims at considering not only language as a means of communication but also feelings, emotions, passions and all other means of communication. This is to suggest that in Smith's theory of communicative action the term of communication has a much broader connotation than that of contemporary linguistic theories of communicative action.

When Smith wants to make a judgement of an action, he aims at considering an action as comprehensively as possible. 'Every faculty in one man', he says, 'is the measure by which he judges of the like faculty in another. I judge of your sight by my sight, of your ear by my ear, of your reason by my reason, of your resentment by my resentment, of your love by my love. I neither have nor can have, any other way of judging about them.'[140] Smith deals here with the judgement of the faculties of both persons in an inter-subjective situation of communicative action. If this were not his focus, we might expect Smith, as a philosopher in the tradition of Scottish Common-Sense Philosophy, to say something more about the inter-relation or mutual support of the senses in this process, rather than merely referring to reason as a

[140] TMS I.i.3.10.

critically assessing and thereby unifying capacity of all other senses. However, as he writes in the tradition of Scottish Common-Sense Philosophy, he seems to take this for granted, which, in turn, shows that Smith can hardly be grasped authentically, if he is not read against his Scottish background. Therefore, when we judge and consequently approve or disapprove of others' actions, we must do this, according to Smith, not only in relation to their or our opinions but with regard to all sentiments or passions and thoughts, in short, in relation to everything which is expressed in the actions.[141]

B. 3 The conception of utility and Smith's theory of action

Smith's theory of action is a situation based consequentialist approach. It takes the cause or situation as the basis of action and considers then the question as to what would be the best action in this particular situation by considering its consequences. However, Smith's consequentialism should not be seen in the light of utilitarian theory of consequntialism. In the utilitarian version of consequentialism, the fundamental criterion, whether in human beings' relations to nature or in social relations, is the principle of utility. However, though Smith is prepared to commit himself to utility as a mediating principle in the relations between human beings and nature, he rejects utility as a mediating principle in social relations. Approached from the very nature of social relations it is not the principle of utility that can serve as foundation of social relations but the principle of sympathy or fellow feeling.

[141] TMS I.i.3.2.

Until Smith many philosophers attempted to combine these two entirely different conceptions. We find in Hume's theory of ethics, for example, the conceptions of sympathy and utility combined in a mysterious way. Smith seems to have recognised that these conceptions were starting from entirely opposite principles and therefore that they cannot serve at the same time as underlying principles in the same system. Therefore, he aims at establishing a moral philosophy based on the conception of mutual sympathy. He argues, despite the fact that the principle of utility prevails in commercial or market based society, that the very spontaneous nature of many social relations does not admit the principle of utility. According to Smith, the principle of utility can only be an 'after-thought'[142] but never the sole foundation of social relations.

It is not by chance that, in direct opposition to Smith, the main goal of Jeremy Bentham's criticism was the conception of sympathy when he developed his pure theory of utility.[143] However, when we consider the rather sophisticated debates about the difficulties which arise from the principle of utility as a universal principle of action, we may be allowed to assert that in order to overcome them there is a tendency towards returning to Smith's considerations and position; with regard to social relations there is a tendency towards the development of a non-utilitarian theory of action.

[142] TMS I.i.4.4.
[143] Cf. Bentham (1996), pp. 17-33.

C. How do we judge?

After having established some of the underlying features of Smith's theory of mutual judgment, we can turn now to the question about how we judge of others and of ourselves. Smith's theory of mutual judgement brings together theories of action, classes of action, judgement, self-approbation and self-disapprobation, love of praise and praise-worthiness, esteem and self-esteem. As a culmination-point of all these conceptions, his conception of conscience comes into play.

In order to present Smith's principle of changing places or situations with others by means of imagination, as the basis of objective mutual cognition, understanding and judgement, we refrained in the above description as much as possible from all often-contradictory historically-determined elements of social relations. We still refrain from all those often-contradictory social relations and suppose further that the situational differences between those of the agents and those of the spectators do not present any obstacle to impartial or objective judgements.

However, how do or should we then judge of the agents when we make judgement of their actions in relation to a particular object or to particular objects at which they aim?

Smith deduces this principle from his observation of real life instead of developing it ideally divorced from real life.

> 'Philosophers have, of late years, considered chiefly the tendency of affections, and have given little attention to the relation which they stand in to the cause which excites them. In common life, however, when we

> judge of any person's conduct, and of the sentiments which directed it, we constantly consider them under both these aspects.'[144]

Therefore, in order to develop a system of moral philosophy, we must, according to Smith, study real social life in all its dimensions and contradictions, rather than draw ideal principles, which may lead to the alienation of philosophy from real life.

Smith suggests therefore that we can judge of the agents' actions objectively or impartially only when we consider them not only in relation to us but also when we take into account the object or objects at which they aim, that is, when we consider actions in the context of their cause or causes and consequences. Smith asserts therefore that '[t]he sentiments or affection of the heart from which any action proceeds, and upon which its whole virtue or vice must ultimately depend, may be considered under two different aspects, or in two different relations; first, in relation to the cause which excites it, or the motive which gives occasion to it; and secondly, in relation to the end which it proposes, or the effect which it tends to produce.'[145] These are the two main criteria which Smith suggests should be laid down with regard to judgements of actions.

C. 1 Occasions of judgement

The question about which Smith is above all concerned in this context is not only the question of how we can distance ourselves from others and from ourselves so that we can cognise, understand and judge of others and of ourselves objectively,

[144] TMS I.i.3.8.
[145] TMS I.i.3.5.

but also the question of how we can gain a certain distance from others and from ourselves in relation to an object or objects which may be of particular interest or concern to us, so that we can be at least nearly sure that our judgements are or can be claimed to be objectively valid. After having discussed in the third chapter of the first section of part one in TMS the issues concerning human beings' impartial cognition, understanding and judgement of one another, in chapter four Smith introduces the conception of object (or objects) and extends thereby the scope of his considerations to the external circumstances of the agents.

In this context, Smith differentiates between three occasions on which we may judge. This differentiation concerns the question whether the object or objects, which give occasion to the action and judgement, is/are of particular interest or concern either to the agent or to the spectator, on the one hand, and the question whether there is a particular relation between the agent and the spectator, on the other hand. He asserts that '[w]e may judge of the propriety or impropriety of the sentiments of another person by their correspondence or disagreement with our own, upon two different occasions; either, first, when the object which excite them are considered without any peculiar relation, either to ourselves or to the person whose sentiments we judge of; or secondly, when they are considered as peculiarly affecting one or other of us.'[146] Smith points here explicitly to two occasions: to the 'peculiar relation' between the agents and spectators, on the one hand and, on the other, objects seen as affecting judgements. Because he already dealt with the relation between the agent and the spectator, he does not refer here explicitly to the 'peculiar

[146] TMS I.i.4.1.

relation' between the agents and spectators again. However, he deals with it again further down in the same chapter. Therefore, though Smith refers explicitly to two occasions he deals in effect with three. To the particular or peculiar relation between the agents and spectators I will be turning later. Let us first concentrate on the other explicitly mentioned two occasions.

Before we can dig into Smith's rather interesting and at the same time complex considerations, let us look at a paragraph which, as it is hardly taken notice of, deserves to be quoted in its whole length.

> 'With regard to those objects which are considered without any peculiar relation either to ourselves or to the person whose sentiments we judge of; wherever his sentiments entirely correspond with our own, we ascribe to him the qualities of taste and good judgment. The beauty of a plain, the greatness of a mountain, the ornaments of a building, the expression of a picture, the composition of a discourse, the conduct of a third person, the propositions of different quantities and numbers, the various appearances which the great machine of the universe is perpetually exhibiting, with the secret wheels and springs which produce them; all the general subjects of science and taste, are what we and our companion regard as having no peculiar relation to either of us. We both look at them from the same or nearly from the same point of view, and we have no occasion for sympathy, or for that imaginary change of situations from which it arises, in order to produce, with regard to these, the most perfect harmony of sentiments and affection. If, notwithstanding, we are often differently affected, it arises either from the different degrees of attention, which our different habits of life allow us to give easily to the several parts of those complex objects, or from the different degrees of natural acuteness in the faculty of the mind to which they are addressed.'[147]

What does this description of the processes of mutual cognition, understanding and judgement reveal? It reveals that when we judge of others or of ourselves we do

[147] Cf. TMS I.i.4.2.

this always in a particular situation in relation to a particular object or objects. However, when we judge of the agent in a particular situation in relation to a particular object or objects we must do this always against the background of the whole situation of the agent, which we obtain in the process of mutual cognition and understanding. Without understanding this whole situation, our judgements could hardly be said, according to Smith, to correspond and therefore do justice to the complexity of the situational context, in which the agents act. This paragraph is one of those key paragraphs in Smith's work, which may help us to clarify some of the crucial questions and interpretative dilemmas which arise from his work. If we could explain it in its entire complexity, its implications would overturn probably most of all those interpretations given in the past few decades.

Let us not concern ourselves with his synonymous use of the expressions of 'peculiar' and 'particular', which from a 21st century point of view can hardly be used synonymously. For the expression of 'particular' is always accompanied by the expression universal, that is, it implies a unity of identity and difference, whereas the expression of 'peculiar' as a particular form of 'particular' signifies a form of 'particular' alienated from the universal. However, in the 18th century these two terms seem to have been used in most of cases as synonyms. Hume uses the word 'peculiar' almost in the same sense as Smith uses it, namely in the sense of important.[148] However, this does not cause any large interpretative dilemma and is not of crucial importance as regards the main issue which Smith seems to raise in this paragraph. There are two other more important and closely inter-related questions

[148] Cf. for example Hume's use of 'peculiar' in the sense of particular from 21st century's point of view: Hume (1975), p. 206.

arising from this paragraph, which, I think, may cause indeed some interpretative dilemma. The first question refers to his use of one of his basic categories, namely his use of the term sympathy. The second question which must concern us here is the question of the significance of 'particular' or 'peculiar relations' between human beings and objects, which Smith seems to bear in mind here.

Firstly, Smith seems to deal here with three different possible relations which the agents and spectator may have to the objects in question, relations which concern different forms of property relations. First, Smith seems to suggest that if the objects the agents aim at were not of any concern both to the agents and to the spectators, there would not be any occasion for any sympathy at all. Both would be entirely indifferent about it, that is, they might endeavour to convince one another but because of their opposite opinions they would not quarrel with one another. So, for example, a disagreement about 'the greatness of a mountain' would not cause any quarrel, in any form whatever. Second, we may consider the same premises from an opposite angle, with which Smith seems to deal implicitly, that is, from the angle that these objects may merely be of common concern, as, for example, 'the ornaments of a building, the expression of a picture, the composition of a discourse, the conduct of a third person, the propositions of different quantities and numbers' and 'all the general subjects of science and taste, are what we and our companion regard as having no peculiar relation to either of us'.[149] In this case too, we may be of opposite opinions and we may attempt to convince one another. However, this could cause hardly any quarrel between human beings.

[149] TMS I.i.4.2.

The third possible relation which the agents and spectators may have to the objects in question is implicitly formulated in the second one. It refers to the question that if the objects were not of any peculiar concern or interest either to the agents or to the spectators or both to the agents as well as to the spectators, but were of particular and common concern to both of them at the same time, there would hardly be any occasion to be partial in their judgements. In other words, if the objects at which the agents aim were not only of any particular or peculiar concern both to the agents as well as to the spectators, but if they were of a common concern to both, that is to suggest that if there was not any partial sympathy involved, if they could view the objects from a similar or even from the same distance from their particular point of view, there would hardly any reason to judge partially.

In all of these three cases the whole process of mutual cognition, understanding and judgement, or in short, the mutual constitution of human beings as described above would take place almost "automatically". In other words, provided that the situational differences between those of the agent and those of the spectator do not present any obstacle to impartial judgement, the act of changing places or situations with one another by means of imagination, which Smith thinks is the only measure by which to objectify our judgements, would take place without any great difficulty and distortion. If there should be some, they would not be of such a nature that they could not be solved by means of communication – even if this communication should continue throughout life. With regard to this 'picture, or that poem, or even that system of philosophy, which I admire', for example, despite the fact that you may despise my judgement, 'there is little danger of our quarrelling upon that account.

Neither of us can reasonably be much interested about them. They ought all of them to be matters of great indifference to us both; so that though our opinions may be opposite, our affections may still be nearly the same.'[150]

Secondly, however, how about impartial judgement with regard to those objects which affect us in a particular way? It '...is quite otherwise with regard to those objects by which either you or I are particularly affected'[151], Smith asserts. In relation to the objects which are of particular concern to us, we are usually apt to judge partially. He regards this question therefore as one of the most important challenges to his theory of judgement. In his discussion of this challenge, he excludes for the time being those issues which arise from private property relations. He deals with challenges to his theory of judgment put forward by private property relations separately. However, private property as a form of particular relation to the objects we aim at is not the only form of particular relation. There may be so many other forms of particular relations between the agents and spectators in regard to objects.

Let us take a worst case. Let us suppose for example that the publication of the works of Ferrier were prohibited. Somebody who does not know anything about Ferrier may be indifferent about this prohibition. However, this can hardly apply to somebody who has been taught Scottish philosophy. Even though he may be very critical of Ferrier's theorising, provided he is scientifically minded, he cannot be indifferent about such a prohibition. On the contrary, he or she would regard it as a

[150] Cf. TMS I.i.4.5.
[151] Cf. TMS I.i.4.5.

treasure not only of Scotland but also of humanity. It becomes more difficult, however, if we are a scholar of Ferrier, as we are particularly interested in his work.

In relation to all such objects which affect us particularly we may lose distance and become partial in our judgements. Instead of arguing against the prohibition of the works of any writer as such, we may suggest, for example, that instead of the works of Ferrier those of Hume or those of Smith should be prohibited.

> 'With regard to those objects, which affect in particular manner either ourselves or the person whose sentiments we judge of, it is at once more difficult to preserve this harmony and correspondence, and at the same time, vastly more important. My companion does not naturally look upon the same misfortune that has befallen me, or the injury that has been done to me, from the same point of view in which I consider them. They affect me much more nearly. We do not view them from the same station, as we do a picture, or a poem, or a system of philosophy, and are therefore, apt to be very differently affected by them.'[152]

Therefore, in all those cases in which we are affected directly we are very apt to lose distance to the object and consequently to ourselves and become partial in our judgments. As a solution to this Smith suggests that we must gain a certain distance from the objects we aim at, so that we can become impartial in our judgements. In order to reach impartiality in our judgments Smith develops two devices: an external and an internal device. He develops them within the framework of his conception of the impartial spectator. The former is the *impartial spectator without*, that is, public opinion, and the latter is the *impartial spectator within*, and that is, conscience. He

[152] Cf. TMS I.i.4.5.

formulates thereby also a maxim or a general rule with regard to the degree of the expression of passions, which he thinks to be proper.

In his conception of passions, Smith differentiates between bodily, intellectual, social, unsocial and selfish passions. He subsumes all these different sorts of passion under three classes: agreeable, disagreeable and provocative passions. Although all these sorts of passion are necessary sorts, though they are all 'ornaments of human nature', in their natural state they are in different ways and in different degrees unsocial passions. By means of the impartial spectator we can put our passions under a kind of therapy ourselves. By making use of the impartial spectator we can find out a kind of *general rule* about the expression of our passions, which may be regarded as proper according to the situation.

C. 2 The general rule as the basis of the Judgment of the impartial spectator

The general rule which Smith suggests is a maxim by means of which the impartial spectator judges of the propriety or impropriety of the expression of the passions. As I have already indicated, Smith differentiates between agreeable, disagreeable and provocative passions. The immediate effects of the agreeable passions such as love are always agreeable both to the agent as well as to the spectator. On the other hand, the immediate effects of the disagreeable passions are disagreeable both to the agent as well as to the spectator. Therefore, the spectator can sympathise to a high degree with the expression of agreeable passions. Even excessive expression of such passions can be sympathised with. By not expressing

them sympathy is forfeited. In the disagreeable passions, however, the point of propriety the spectator can sympathise with is low and its defect can more easily be sympathised with than its excess.

> 'It may be laid down as a general rule, that the passions which the spectator is most disposed to sympathize with, and in which, upon that account, the point of propriety may be said to stand high, are those of which the immediate feeling or sensation is more or less agreeable to the person principally concerned: and that, on the contrary, the passions which the spectator is least disposed to sympathize with, and in which, upon that account, the point of propriety may be said to stand low, are those of which the immediate feeling or sensation is more or less disagreeable, or even painful, to the person principally concerned.'[153]

However, it is entirely different with regard to those passions which are provocative. As opposed to the agreeable and disagreeable passions, of which the 'disposition to the affections...tend[s] to unite men in society, to humanity, kindness, natural affection, friendship, esteem...'[154], the provocative passions of which 'the disposition to the affections...drive men from one another, and which tend, as it were, to break the bands of human society...'[155] The point of propriety stands very low and the disposition of the spectator to sympathise with the provocative passions 'is divided between the person who feels them, and the person who is the object of them. The interests of these two are opposite.'[156] Therefore, though the spectator is immediately apt to sympathise with the person who is the object of provocative passions, the spectator cannot be said to sympathise with any of the quarrelling parties unless he is well and comprehensively informed about the situation.

---

[153] Cf. TMS VI.iii.14.
[154] Cf. TMS VI.iii.15.
[155] Cf. TMS VI.iii.16.
[156] TMS I.ii.3.1.

However, this is not to suggest that the provocative passions are unnecessary and therefore must be got rid of. On the contrary, they are 'regarded as necessary parts of the character of human nature.'[157] As long as social relations tend structurally to produce injustice they are necessary and they serve as protection against injustice. 'A person becomes contemptible who tamely sits still, and submits to insults, without attempting either to repeal or to revenge them. We cannot enter into his indifference and insensibility: we call his behaviour mean-spiritedness, and are as really provoked by it as by the insolence of his adversary.'[158]

C. 3 Against casuistry and positive law

However, how do we know what degree of expression of passion is proper or improper in a particular situation in relation to a particular object? How do we know what degree of expression of passion is proper or improper and proportionate between the cause or causes and the consequences in a certain situation in relation to a certain object or in relation to certain objects? How do we know whether our feelings, emotions, passions and thoughts or, in short, our sentiments are communicative? As there are so many different situations and, consequently, as there are so many different feelings, emotions, passions, and thoughts, which arise from the situation, how and by means of what do we know what is right or wrong in a certain situation? With what measure can we judge of others and of ourselves, whether their or our actions correspond to the situation? Does Smith not suggest,

[157] TMS I.ii.3.3.
[158] TMS I.ii.3.3.

consequently, a new version of casuistry, that is, decision on a case-to-case basis, when he suggests that we must judge of actions in their situational context from situation to situation? Does this necessarily imply that all actions, whatever their aims may be, are entirely different and therefore we cannot judge of them based on the some objective criteria? In order to answer these questions, we must turn now to Smith's conception of the impartial spectator. By turning to Smith's conception of the impartial spectator, we turn also to the last stage of his theory of mutual constitution.

Smith develops his conception of the impartial spectator as an external and internal device of judgement, on the one hand, against casuistry, and on the other hand, against the system of positive law. The reason why Smith argues against these two systems of justice may not be of only historical importance: it may be illuminating for current debates within the theory of moral judgement. By developing his conception of the impartial spectator, Smith aims at two goals, which according to Smith can hardly be achieved either by the casuistic approach to judgement or by that of positive law. First, his conception of the impartial spectator aims at freeing the agent from all alien subordination and determination through appeals to conscience. Second and this is closely related to the first, he wants to show how the natural distinction or 'natural inequality of our sentiments'[159], as Smith puts it, which human beings express in their natural capacities, can be fulfilled without turning themselves into social class distinctions.

[159] TMS III.3.3.

With regard to casuistry: indeed, at first sight it seems as if Smith would suggest a new version of casuistry when he suggests that we should judge from situation to situation. However, in his discussion of casuistry, Smith concludes that 'casuistry ought to be rejected altogether'.[160] According to Smith, both casuistry and the system of positive law may have been and may still be necessary in different ages and in different societies. They are, however, abstract, and therefore remain alien to the concrete situational context; they can hardly do justice to the complexity of the human situation. Though the system of casuistry seems to aim at taking into account the particular situation, it is nonetheless abstract and remains alien to the concrete situational context because it makes judgements based on some general traditional rules or 'abstruse and metaphysical distinctions'[161] established prior to the concrete situation itself.

As opposed to the system of casuistry, '[e]very system of positive law may be regarded as a more or less imperfect attempt towards a system of natural jurisprudence, or towards an enumeration of the particular rules of justice.'[162] From a historical point of view, as a particular form of the system of justice, positive law is more progressive than the system of casuistry. Unlike casuistry, it is not traditionalist and it applies to civil society in which 'the public magistrate is under a necessity of employing the power of the commonwealth to enforce the practice of this virtue [of justice,-DG]. Without this precaution,' Smith asserts, 'civil society would become a

[160] TMS VII.iv.34; cf. for Smith's general discussion of casuistry particularly TMS pp. 333-340.
[161] TMS VII.iv.33.
[162] TMS VII.iv.36.

scene of bloodshed and disorder, every man revenging himself at his own hand whenever he fancied he was injured.'[163]

However, the system of positive law remains imperfect. Even in 'well-governed states' in which 'not only judges are appointed for determining the controversies of individuals, but rules are prescribed regulating the decisions of those judges; and [though,- DG] these rules are, in general, intended to coincide with those of natural justice', however, '[i]t does not, indeed, always happen that they do so in every instance. Sometimes what is called the constitution of the state, that is, the interest of the government; sometimes the interest of particular orders of men who tyrannize the government, warp the positive laws of the country from what natural justice would prescribe. In some countries, the rudeness and barbarism of the people hinder the natural sentiments of justice from arriving at that accuracy and precision which, in more civilized nations, they naturally attain to. Their laws are like their manners, gross and rude and undistinguishing. In other countries the unfortunate constitution of their courts of judicature hinders any regular system of jurisprudence from ever establishing itself among them, though the improved manners of the people may be such as would admit of the most accurate.' Therefore, '[i]n no country do the decisions of positive law coincide exactly, in every case, with the rules which the natural sense of justice would dictate. Systems of positive law, therefore, though they deserve the greatest authority, as the records of the sentiments of mankind in

[163] TMS VII.iv.36.

different ages and nations, yet can never be regarded as accurate system of the rules of natural justice.'[164]

These quotations show clearly that Smith develops his conceptions of the impartial spectator and the general rule both against casuistic approach to judgment and against the system of positive law. He thinks that the basis of an 'accurate system of the rules of natural justice' can only be provided by the impartial spectator.

C. 4 The genesis of general rules

From where should we take general rules when we can not develop them ideally antecedent to the situation or action to be judged of? Smith suggests that the general rules cannot be taken from outside the situation. We must rather cognise them in the particular situation itself. Any particular situation whatever bears in it, besides its particularity, also a kind of universality because it is not only the situation of the person A or B or the situation of the persons A *and* B but it is also a situation of human beings. In other words, the general rules are always intrinsic to each particular situation and we can find them nowhere but in the analysis of any particular situation by considering it in its whole complexity. It is the analysis of the particular situation, which enables us at the same time to take the particular situation into account.

[164] Cf. TMS VII.iv.36.

When these general rules are once developed they give the impression that they were taken from somewhere else, as if they were not cognisable in each particular situation. Nonetheless, they cannot be taken from outside.

> 'When these general rules, indeed, have been formed, when they are universally acknowledged and established, by the concurring sentiments of mankind, we frequently appeal to them as to the standards of judgement, in debating concerning the degree of praise or blame that is due to certain actions of a complicated and dubious nature. They are upon these occasions commonly cited as the ultimate foundations of what is just and unjust in human conduct; and this circumstance seems to have misled several very eminent authors, to draw up their systems in such a manner, as if they had supposed that the original judgments of mankind with regard to right and wrong, were formed like the decision of a court of judicatory, by considering first the general rule, and then, secondly, whether the particular action under consideration fell properly within its comprehension.'[165]

In this paragraph Smith states clearly, on the one hand, his account of the genesis of the general rules, and on the other hand, the genesis of the seeming impression that they were taken from somewhere. He implicitly suggests that a historical approach to the general rules could avoid this seeming impression and make us aware of their real genesis.

In order to show the aims of Smith's criticism of casuistry and the system of positive law, we should perhaps refer to a paragraph in which he formulates an objection to the judgement theory of Francis Hutcheson. We do so not because Smith criticises Hutcheson's reliance on casuistry or on the system of positive law. On the contrary, he thinks that Hutcheson's theory of judgement comes very close to his. However, he does formulate some objections and one of these objections may make clear what the aim of Smith's theory of judgement is. In his criticism of Hutcheson's

[165] TMS III.4.11; cf. also generally to these issues pp. 159/160.

theory of judgement, Smith points out that though each general emotion or passion, such as anger or love for example, preserves its universal feature it undergoes also a variation according to the situation.

Let us take for example anger. According to Smith it does not matter in which situation we observe anger: it remains anger whatever its situation may be. However, it differs nonetheless from situation to situation.

> 'Anger against a man is, no doubt, somewhat different from anger against a woman, and that again from anger against a child. In each of those three cases, the general passion of anger receives a different modification from the particular character of its object... But still the general features of the passion predominate in all these cases. To distinguish these, requires no nice observation: a very delicate attention, on the contrary, is necessary to discover their variations: every body takes notice of the former; scarce any body observes the latter.'[166]

Therefore, we may conclude from what has been said that Smith's theory of judgement is developed in order to enable human beings to judge not only on the basis of abstract general rules but also on the basis of the variations which they undergo in each different situation. According to Smith conscience is the only instance that can provide the basis of this comprehensive theory of judgment. 'That precise and distinct measure can be found nowhere but in the sympathetic feelings of the impartial and well-informed [real or supposed,- DG] spectator.'[167]

---

[166] TMS VII.iii.3.13.
[167] TMS VII.ii.1.49.

C. 5 The impartial spectator as a device for the therapy of passions and thought

Smith's conception of the impartial spectator is suggested as a device by which we can provide a therapy for feelings, emotions, passions and thoughts, or in short: it is supposed to be a device of our internal world by means of which we can enjoy, at least potentially, the sympathy of others.

According to Smith's moral teaching, pure emotionality, emotionality without rationality, is mostly incapable of that communication which is existential to society, whereas pure rationality, rationality without emotionality, would not take the whole nature of action into account; it would take into account only planned or strategic actions and would leave out spontaneous actions of which almost the whole of everyday life consists. More importantly, relations based on pure rationality may also lead to instrumental relations: to the instrumentalisation of others and of ourselves at the same time. Therefore, neither pure rationality nor pure emotionality can be trusted blindly. They must be reflected or filtered by some devices and brought into harmony with each other. Nussbaum suggests that we can find this 'filtering device'[168] in Smith's conception of the impartial spectator or the 'Judicious Spectator'[169] as she calls it.

Nussbaum claims that Smith's conception of the impartial spectator was the source of Rawls' conceptions of the 'veil of ignorance' and the 'original position'.[170] However, Smith and Rawls approach the question about how impartiality may be

[168] Nussbaum (1995), p. 72.
[169] Nussbaum (1995), p. 72.
[170] Cf. Nussbaum (1996), p. 36.

achieved from opposite directions. Rawls develops his conception based on the contractual Kantian tradition, in which all individuals are ideally divested from all their particularities (knowledge, emotions, interests, will, etc), whereas Smith's conception of the impartial spectator is rich in emotions as Nussbaum herself points out.[171] The impartial spectator appropriates actively this richness in emotions, experience and knowledge.

The difference which she describes between her conception of the 'pitier' and Rawls' conception of the 'original position' applies also to the difference between Smith's conception of the impartial spectator and Rawls' conception of the 'veil of ignorance' or the 'original position'. Nussbaum asserts that

> 'Rawls' parties are determined to be fair to all conceptions of the good that the citizens in the resulting society might have; they therefore refuse themselves knowledge of their own conceptions of the good. My pitier, by contrast, like the spectator at a tragic drama, operates with a general conception of human flourishing that is the best one she can find; and although she does not fail to notice that the concrete specification of flourishing will be different in different times and places and forms of life, and does not fail to note the value of choice in selecting the conception by which one lives, she does not stake herself to a single general conception, when asking whether and to what extent disease, hunger, losses of children, losses of freedom, and so forth, are really bad things. She does not neglect the sufferer's view of things, as I have said: but she is prepared to find his or her preferences and judgements distorted, and to pity with her own view of good.'[172]

[171] Nussbaum (1996), p.33
[172] Nussbaum (1996), pp. 36/7.

Therefore, the 'altruistic' principle which may be found in Rawls' conception of the 'original position' or 'veil of ignorance' and Smith's conception of the impartial spectator are not the same despite what Nussbaum claims.

In Rawls' conception of the 'original position' impartiality is supposed to be hypothetical. Therefore, one may even question its practical relevance.[173] Smith's impartial spectator, by contrast, is internalised through socialisation in real life and Smith suggests therefore that in all our individual actions we are always guided by some altruistic principles in which self-interest is not extinguished. This altruistic principle exists already in real life. It must, therefore, be discovered, freed, and brought into play consciously rather than found out by ideal abstraction.

In order to understand fully how the impartial spectator works as a 'filtering device' we must refer again to Smith's differentiation between the impartial spectator without and the impartial spectator within. I am going to deal, firstly, with the conception of the impartial spectator without and, secondly, with the impartial spectator within.

Firstly, the best example of being partial according to Smith is the disturbance of the mind and the loss of tranquillity. In order to overcome this disturbance, Smith does not suggest that we must go to a psychologist or psychotherapist. On the contrary, he suggests that we must to go out in to society and communicate with other human beings, to talk to them and discuss with them the issues at stake.

[173] Cf. Rawls (1973), pp. 17-22.

> 'The mind, therefore, is rarely so disturbed, but that the company of a friend will restore it to some degree of tranquillity and sedateness. The breast is, in some measure, calmed and composed the moment we come into his presence. We are immediately put in mind of the light in which he will view our situation, and we begin to view it ourselves in the same light; for the effect of sympathy is instantaneous.' [174]

However, in our life we usually reveal our internal world first of all to our relatives, friends and acquaintances, that is, we naturally discuss questions and problems first with those people who are emotionally close to us.

Now, Smith seems to suggest that those people who are nearest to us may, because of their emotional or sympathetic nearness, misguide or mislead us unintentionally in our judgments. Therefore, he seems to conclude that we should apply to public opinion or imagine ourselves before an 'assembly of strangers' before we make judgement about the objects which affect us in a particular way. 'We expect less sympathy from a common acquaintance than from a friend: we cannot open to the former all those little circumstances which we can unfold to the latter: we assume, therefore, more tranquillity before him, and endeavour to fix our thoughts upon those general outlines of our situation which he is willing to consider. We expect still less sympathy from an assembly of strangers, and we assume, therefore, still more tranquillity before them, and always endeavour to bring down our passions to that pitch, which the particular company we are in may be expected to go along with. Nor is this only an assumed appearance: for if we are at all masters of ourselves, the presence of a mere acquaintance will really compose us, still more than that of a friend; and that of an *assembly of strangers* still more than that of an

[174] TMS I.i.4.9 (italics added).

acquaintance'[175] However, the impartial judgement that according to Smith we obtain when we suppose ourselves to be before an 'assembly of strangers' should not be understood to mean that Smith suggests that the particular interests should be ignored, refrained from, extinguished or even sacrificed for the sake of general interests, as may already be seen from what has been said above about the richness of his impartial spectator.

By using the expression 'assembly of strangers', Smith reformulates his principle of changing places or situations with others by means of imagination. The formulations express essentially one and the same thing, namely public opinion. There is, however, also an important difference between these two formulations. When we imagine ourselves in the situation of others, in order to cognise, understand and judge either of others or of ourselves, we should be well-informed. Only if we are well informed can we imagine ourselves fully in the situation of others. However, this does not apply to a situation where the other person knows nothing, or only a little, about the object at issue. In such a case, the person can judge the situation properly. In order to explain the issue at stake, let us return to my Ferrier-example. Let us suppose again that the publication of Ferrier's works were forbidden for some reason which we cannot accept. Because we regard this decision as unjust we therefore, following Smith, go out into society and discuss it with people in the street. Now, there may some people who may not know anything or may know only very little about the philosophy of the Scottish Enlightenment and about Ferrier's

[175] TMS I.i.4.9 (italics added).

contribution to it. Therefore, they may not understand our passionate engagement in such a "ridiculous" matter.

In such a situation, we must imagine ourselves before an 'assembly of strangers' – not in order to retreat from our engagement but in order to understand the indifferent attitude of others. We imagine ourselves in the situation of strangers because they are strangers to the issue at stake. In our discussions with others, however, the more they become acquainted with Ferrier's intellectual role and historical importance for a comprehensive understanding of Scottish philosophy, the more they may gradually become acquainted with the object we aim at and thereby understand our engagement in such a "ridiculous" matter. They may even start sympathising with us.

In order to see that this device of the 'assembly of strangers' is not merely a hypothetical device, and that it does not require us to refrain from satisfying our passions but on the contrary is frequently made use of in everyday life, we should look around us. A lecturer, for example, when he starts giving lectures, must imagine himself before an assembly of strangers because the students may not be acquainted with the topic. Otherwise, the lecturer may not be able to communicate with his students at all. Alternatively, let us for example suppose that we must communicate with somebody who is for the first time in our home country and who knows nothing or only a little about it. In this case too, we must imagine ourselves before an assembly of strangers when we talk about the history, culture, society of our home country because the person we talk to is unacquainted or acquainted only a little with the subject we talk about.

Secondly, with regard to the impartial spectator within: according to Smith, the above-mentioned 'accurate system of the rules of natural justice' can only be erected in a society in which the conscience is free, that is, a society in which human beings can listen to their conscience and judge, whether of their case or of that of others according to the "voice" of their conscience without fearing that they may lose something. There must be established a society in which human beings can regard the consequences of their judgment always as a gain even if they must judge in favour of others. There must be established a society in which they can recognise necessity of judgment freely, and regard this necessity as their freedom. However, Smith does not regard 'civil society', which is just another expression for 'commercial society', as a society in which the conscience is free. On the contrary, without drawing the same conclusions, he asserts like Hobbes that without the magistrate and the system of positive law 'the civil society would become a scene of bloodshed and disorder'.[176] I will turn to Smith's analysis of commercial society later. Let us for the time being set aside the question of distorting social relations in commercial society and see how according to Smith conscience or the impartial spectator can provide the basis for 'natural justice'.

As I have already outlined, Smith suggests that we must judge of the agents in their situational context, that is, we must judge of others' and of our passions in relation to the cause or causes and consequences. In other words, the proportional relation between the cause or causes and consequences makes up the external framework or external circumstances in a particular situation, which serves as the

[176] TMS VII.iv.36.

objective foundation of judgement. However, this proportionality between the cause or causes and consequences cannot be determined mathematically, for example through axioms. Additionally, public opinion may sometimes not help at all. Therefore, in order to be able to judge of others and of ourselves in a certain external framework or circumstance, that is, in order to be able to judge of the proportionality of the expression of our passions between the cause or causes and consequences, we must also have an internal measure.

According to Smith, conscience or the impartial spectator provides this internal measure. It is internal to the agents and spectators and it is, therefore, immanent in all situations of communicative action. However, because of this internality it should not be interpreted as though it were merely a subjective device. On the contrary, though it is an internal device, it is nonetheless an objective or subjective-objective device which can also take into account the particularity of the situation and consequently the particularity of emotions, passions and thoughts. Because of this internality of the impartial spectator and its immanence to the situation of communicative action, we are enabled (in contrast with a system of casuistry and positive law) to grasp all particular situations and make immanent objective value judgements.

C. 6 The genesis of the impartial spectator within

Whatever situation we take, whether we judge of others or others of us; or whether we judge of ourselves, however particular or even odd and distorted the aims of our actions and situations may be, the impartial spectator is always present as

internalised general social values. In distorted social relations, it is present as potentiality. In undistorted social relations, it is present as actuality. But in one way or another it is always present. In whichever situation, it tells us what is right or wrong, what is a proper or improper proportion of the expression of our passions. However, there arises necessarily the question about where the impartial spectator comes from.

In order to explain the genesis of conscience, Smith does not refer to supernatural "beings" or any other similar device or devices. As the editors of TMS, D.D. Rephael and A.L. Macfie, point out rightly, Smith regards conscience as 'a product of social relationship'.[177] Smith does not deal with conscience merely as an ethical capacity. On the contrary, according to Smith, it is also an internal cognitive and judging capacity. It collects, unifies and synthesises all general social values throughout the process of socialisation of human beings. It mirrors, therefore, in each individual, the common sense which prevails in the particular society in which he or she is embedded.

However, how does this common sense come into being? In a rather long paragraph Smith states very accurately his account of the genesis of this common sense. Because he gives an accurate description I would like to quote it in its whole length.

> 'Our continual observations upon the conduct of others, insensibly lead us to form to ourselves certain general rules concerning what is fit and proper either to be done or to be avoided. Some of their actions shock all our natural sentiments. We hear every body about us express the like

[177] Cf. Raphael and Macfie (1984) in: TMS, p. 15.

> detestation against them. This still further confirms, and even exasperates our natural sense of their deformity. It satisfies us that we view them in the proper light, when we see other people view them in the same light. We resolve never to be guilty of the like, nor ever, upon any account, to render ourselves in this manner the objects of universal disapprobation. We thus naturally lay down to ourselves a general rule, that all such actions are to be avoided, as tending to render us odious, contemptible, or punishable, the objects of all those sentiments for which we have the greatest dread and aversion. Other actions, on the contrary, call forth our approbation, and we hear every body around us express the same favourable opinion concerning them. Every body is eager to honour and reward them. They excite all those sentiments for which we have by nature the strongest desire; the love, the gratitude, the admiration of mankind. We become ambitious of performing the like; and thus naturally lay down to ourselves a rule of another kind, that every opportunity of acting in this manner is carefully to be sought after.'[178]

This is how general rules (which is just another expression for common sense) of morality arise. Their genesis lies, according to Smith, in mutual observations and criticisms. We are, according to Smith's description, always subject to these observations and criticisms. Either we make them when we observe others or we receive them when others observe us. Of course, in the light of contemporary scientific discoveries, we may need to extend Smith's considerations about the genesis of the impartial spectator to the time prior to the birth of the child. Smith's treatment of the genesis of the impartial spectator is open to such an extension. His approach to philosophical issues concerning apriorism in his essay *Of the External Senses*[179] would even suggest that we must do so in the light of contemporary scientific researches and discoveries.

---

[178] TMS III.4.7.

[179] Cf. for example particularly External Senses, in: EPS, p. 161 §69 and p. 167 §85.

In his description of the genesis of common sense Smith seems to describe as if individuals would develop their conscience without questioning the established social or moral norms. This gives some scholars the impression that Smith would merely suggest that individuals subdue themselves when they appropriate their conscience. However, this is only one aspect of Smith's conception of conscience or the impartial spectator or common sense. The other aspect of his conception shows how critical the impartial spectator is. It can, according to Smith, be so forceful in its criticism of established social or moral norms to resist – even the whole mankind. Let us now take this aspect of Smith's conception of the impartial spectator under closer examination.

C. 7 The impartial spectator as the genesis of the particularity of individuals

If Smith had conceptualised the impartial spectator only as a representative of general social values, he would have formulated merely a subjective substitute for casuistry and the system of positive law. The impartial spectator would perhaps have judged not necessarily in the same manner as casuistry and positive law, but it would have judged in a manner not entirely unlike them. It would, that is to say, judge by subsuming individuals under some general social rules. However, Smith deals with conscience not only as a representative of general social rules or values. On the contrary, he deals with it also as an outcome of an active process of critical appropriation of general social rules according to the 'good-office' of each

individual. In this context he refers particularly to labour and the division of labour[180] as the genesis of difference. However, he does not reduce the genesis to labour alone. His theory of difference takes into account the complete existential situation of society when he explains the genesis of difference. That is, he takes into consideration not only natural circumstances but also the whole process of socialisation including education. In short, he deals with the whole circumstances of the constitution of human society as the genesis of difference.

Though Smith uses, in his explicit definition of conscience, such expressions as 'a man in general'[181], 'abstract man, the representative of mankind'[182], 'ideal man within the breast'[183], the 'man within the breast, the abstract and ideal spectator'[184] and 'indifferent spectator'[185], expressions which emphasise the general aspect of conscience, he deals with it, however, as different in each individual. In our analysis of Smith's conception of the impartial spectator within, if we take only general aspects into account it is indeed possible to claim like Philip Mercer, that '[t]he other principle defect in Smith's account is that it cannot explain how moral attitudes can change within a given society; how, for instance, a society can grow more puritanical or humanitarian or permissive. For Smith morality is something given and static.'[186] However, in our analysis we must go further, and work out more accurately the relationship between Smith's theory of morality and his theory of socialisation. Then we may indeed see how dynamic his theory of morality is.

---

[180] Cf. WNI.ii.4.
[181] TMS, p. 129n.
[182] TMS, p. 130n.
[183] TMS III.3.26.
[184] TMS III.3.38.
[185] TMS III.4.5.
[186] Mercer (1972), p. 92.

For in his explanation of the genesis of conscience, that is, in his theory of socialisation, Smith deals with conscience as a capacity which must also be different in each individual because it is a product of an active process of the critical internalisation of general social values by each individual from his or her particular perspective. In other words, conscience presents in each individual a kind of unity of identity and difference at the same time. Therefore, it is not only the same in each individual but it is also different, that is to say that it presents in each individual a particular form of the concretisation of the general social values so that each can present the social values from his particular point of view.

It is exactly this process of concretisation of general rules, which makes morality in Smith's account so dynamic, and which, beside some other factors such as changes in the means of production, brings about also permanent changes in morality. Provided the social relations are not distorted and do not promote partiality; in order to rephrase it positively: provided social relations enable individuals to see one another as their second selves, this would, according to Smith, enable them to define one another in relation to one another without any distorting reservation. This would, in turn, provide the opportunity to objectify their judgements about themselves and about others by seeing themselves through the 'looking-glass' of one another.

C. 8 The difference between our judgment of other selves and ourselves

As Smith asserts, rightly, there is a great difference between our judgment of other selves and of ourselves. He seems to suggest that when we judge of others, we usually tend to decide objectively or impartially, and when we judge of ourselves we tend to be partial. This difference between these two processes of judgement originates from the fact that in the process of judgement of others there is always a natural distance, whereas in the process of judging ourselves there is not. In other words, unlike in our own case, when we judge of others there is a natural distance as we perceive others' passions always as reflected passion, whereas we can perceive our own passions in the first instance only immediately, that is, in their unreflected and unmediated natural state. In short, there is an asymmetry between the perception of the passions of others and those of ourselves, which provides the basis of our judgments. Therefore, because of the lack of natural distance to our own passions, in the judgement of ourselves we tend to be partial, or selfish as Smith would put it.

In order to work out accurately Smith's solution to this asymmetry, we need to differentiate between his conceptions of physiologically- and socially-caused selfishness. Physiologically-caused selfishness results from the lack of natural distance from our passions as we first perceive them, whereas socially-caused selfishness derives from social relations or more accurately from private property relations. Smith discusses his solution to these two different forms of selfishness within his conception of impartiality, as both of them require a solution in which the notion of impartiality is involved. However, though the forms of impartiality which

Smith develops as a solution to these two forms of selfishness require one another, they differ from one another entirely.

The selfishness deriving from social relations can, according to Smith, hardly be overcome by applying merely to conscience, as its essential solution requires the rearrangement of social relations based on the principle of impartiality, whereas the selfishness deriving from the lack of natural distance from our own passions requires distancing ourselves from ourselves either by looking at them from others' point of view or by consulting our conscience. However, if social relations are not rearranged on the basis of the principle of impartiality, this may not only hinder us from making impartial judgments in relation to our own passions but may even enhance our tendency to make partial or selfish judgments of our own case. In other words, the main cause of the distortion of our conscience and therefore the main obstacle to impartial judgment derives, according to Smith, from social relations. As long as they are not arranged impartially, conscience cannot be said to be free. However, in order to make Smith's principle clear, let us still suppose that social relations would not present any obstacle to impartial judgments.

However, even if social relations are not distorted, even if they do not promote partial judgements, there is still a great difference depending on whether we judge of others or of ourselves. The asymmetry between the perception of the passions of others and those of ourselves cannot be overcome merely by rearrangement of social relations based on the principle of impartiality. The rearrangement of social relations based on the principle of impartiality may bring the conscience to its full validity, which is according to Smith one of the most important prerequisites for the solution

of this asymmetry. However, this would not provide, according to Smith, a full solution to the above-mentioned asymmetry. Because of our natural constitution, we remain always nearest to our own passions and we perceive them first in their natural state.

Therefore, Smith can still claim that the 'selfish and original passions of *human nature*, the loss or gain of a very small interest of our own, appears to be of vastly more importance, excites a much more passionate joy or sorrow, a much more ardent desire or aversion, than the greatest concern of another with whom we have no particular connexion. His interests, as long as they are surveyed from his station, can never be put into the balance with our own, can never restrain us from doing whatever may tend to promote our own, how ruinous soever to him.'[187] Because of this naturally-constituted asymmetry Smith can assert that '[t]o judge of ourselves as we judge of others, to approve and condemn in ourselves what we approve and condemn in others, is the greatest exertion of candour and impartiality.' [188]

Even if social relations are organised on the principle of impartiality there will always be a need to moderate our selfish or original natural passions. Even if social relations are organised in the best way and even if they do not promote partial judgments, we still remain nearest to our original or natural passions and even in a society in which we regard one another as our 'others' we remain almost always among our relatives, friends and acquaintances who may unintentionally mislead us in our judgments. Even in a well-organised society, we cannot apply always to public

[187] TMS III.3.3 (italics added).
[188] TMS, p. 111n.

opinion in order to provide a therapy for our passions. Therefore, according to Smith, in order to become impartial and to be sure that we are really impartial in our judgments we must apply in the last instance to our conscience.

We can only be sure that we are impartial 'by consulting this judge within, that we can ever see what relates to ourselves in its proper shape and dimensions; or that we can ever make any proper comparison between our own interests and those of other people.'[189] In order to judge impartially in our own case 'we must look at ourselves with the same eyes with which we look at others: we must imagine ourselves not as actors, but the spectators of our own character and conduct, and consider how these would affect us when viewed from this new station, in which their excellencies and imperfections can alone be discovered.'[190]

C. 9 Why do we necessarily appeal to the impartial spectator within?

Now, there remains one important question which needs to be answered: "why should we", a moral sceptic may ask, "listen to our conscience?" "Why should we consult our impartial spectator", he may remark critically, "when we make judgments?" He may object to Smith by saying that "there is no internal objective need for consulting the impartial spectator within when we make judgments." In order to answer these and other similar questions we must refer again to Smith's distinction between the impartial spectator without and the impartial spectator within.

---

[189] TMS III.3.1.
[190] TMS, p. 111n.

Smith differentiates between the jurisdiction of the impartial spectator without and within, because they judge upon different principles. 'The jurisdiction of those two tribunals are founded upon principles which, though in some respect resembling and akin, are however, in reality different and distinct.'[191] In this context Smith differentiates between the principle of the 'love of praise' and the principle of the 'dread of blame', on the one hand, and the principle of the 'love of praise-worthiness' and the principle of 'blame-worthiness', on the other hand. 'The jurisdiction of the man without is founded altogether in the desire of actual praise, and in the aversion to actual blame. The jurisdiction of the man within, is founded altogether in the desire of praise-worthiness, and in the aversion to blame-worthiness.'[192] These two sets of values may at first sight seem to be the same. However, Smith suggests that they are not the same. 'The love of praise-worthiness is by no means derived altogether from the love of praise. Those two principles, though they resemble one another, though they are connected, and often blended with one another, are yet, in many respects, distinct and independent of one another.'[193]

However, what is the difference between these two sets of values? Smith seems to assert that the main difference consists in the fact that whereas the man without judges on the principle of *what is*, the man within judges on the principle of *what ought to be*. Accordingly,

> '[p]raise and blame express what actually are; praise-worthiness and blame-worthiness, what naturally ought to be the sentiments of other

[191] TMS III.2.32.
[192] TMS III.2.32.
[193] TMS III.2.2.

> people with regard to our character and conduct. The love of praise is the desire of obtaining the favourable sentiments of our brethren. The love of praise-worthiness is the desire of rendering ourselves the proper objects of those sentiments. So far those principles resemble and are akin to one another. The like affinity and resemblance take place between the dread of blame and that of blame-worthiness.'[194]

Smith's sharp distinction between the object of the judgment of the impartial spectator without and the object of the judgement of the impartial spectator within, that is, his assertion that the former judges *what actually is* and the latter *what ought to be,* may be misleading and needs therefore some explanation. In this assertion of Smith's, there is of course an implicit criticism of the system of positive law. However, whether we take the impartial spectator without or the impartial spectator within both of them always judge not only according to the principle of *what is* but also according to the principle of *what ought to be.* This is not the main difference between them. There is of course a great difference with regard to how they connect *what is* with *what ought to be.* What Smith seems to suggest seems to be the fact that the impartial spectator without tends to define *what is* at the same as *what ought to be.* In other words, the impartial spectator without tends to judge mainly based on the principle of positivism. As opposed to the impartial spectator without, the impartial spectator within can discover some other normative criteria in the intentionality of the situation to be judged of, which may enable him to overcome the boundaries of *what is.* That is, the impartial spectator within defines *what is* and *what ought to be* at the same time. The impartial spectator may question what actually is.

[194] TMS III.2.24.

However, Philip Mercer claims that in Smith's account of morality it was 'impossible for the individual member of socicty to break out of Smith's circle of reciprocal sympathy in order to demand whether the standards according to which he lives his life are worthwhile standards or even whether they are the only standards possible. He cannot sensibly question the conventional morality of the society in which he happens to find himself.'[195] However, in Smith's account the impartial spectator within is supposed to be the judge of the judgement of the impartial spectator without. The impartial spectator within must necessarily question the judgment of the impartial spectator without. This is the reason why Smith regards the judgment of conscience much more highly than the judgment of the impartial spectator without. In other words, Smith suggests that any 'individual member of society' must always 'break out' of those general standards and they must always necessarily 'question the conventional morality of the society in which he happens to find himself'. This is predicated on the fact that all have a second self or conscience which not only checks the actions of individuals but also enables individuals to question established general rules in a given society.

Therefore, Smith asserts nicely that 'though man has...been rendered the immediate judge of mankind he has been rendered so only in the first instance; and an appeal lies from his sentence to a much higher tribunal, to the tribunal of their own conscience, to that of the supposed impartial well-informed spectator, to that of the man within the breast, the great judge and arbiter of their conduct.'[196] 'The applause of the whole world', Smith continues elsewhere, as if he wanted to respond

[195] Mercer (1972), p. 91; for similar claims cf. also p. 92.
[196] TMS III.2.32.

to such objections as that of Mercer, 'will avail little, [little *draft*] if our own conscience condemn [condemns *draft*] us; and the disapprobation of all mankind is not capable of oppressing us, [us *draft*] when we are absolved by the tribunal within our own breast, and when our own mind tells us that mankind are in the wrong.'[197] He suggests therefore that we necessarily judge of the judgment of others by appealing to our conscience and that, by appealing to our conscience, we judge at the same time of the judgments made of us. According to the constitution of human nature and the constitution of the human situation, we cannot do otherwise than question permanently the general social and our own individual values.

However, how does the impartial spectator within judge of the judgment of the impartial spectator without? As I have pointed out above, the impartial spectator without judges, according to Smith, by the principle of 'actual praise' and of the 'aversion to the actual blame', whereas the impartial spectator within judges based on the principle of 'praise-worthiness' and on that of the 'aversion to blame-worthiness.' 'If man without', Smith says, 'should applaud us, either for actions which we have not performed, or for motives which had no influence upon us; the man within can immediately humble that pride and elevation of mind which such groundless acclamations might otherwise occasion, by telling us, that as we know we do not deserve them, we render ourselves despicable by accepting them. If, on the contrary, the man without should reproach us, either for actions which we never performed, or for motives which had no influence upon those which we may have performed; the man within may immediately correct this false judgement, and assure

[197] TMS, p. 129.

us, that we are by no means the proper objects of that censure which has so unjustly been bestowed upon us.'[198] Therefore, the impartial spectator within corrects the judgment of the impartial spectator without.

Now, the moral sceptic may not be convinced by Smith's explanation because he refers to the constitution of human nature. He may assert that in the past many philosophers have endeavoured to explain many things by referring to human nature, which afterwards turned out to be unjustifiable. He may claim, in other words, that many philosophers attempt to make use of the human-nature argument if they can not explain further the issue at stake. Smith would of course agree with the moral sceptic as he himself argues in TMS many times against those philosophers who develop their social and political theory on the basis of some speculative principles of natural law. However, Smith would continue and reply to the moral sceptic: the fact that you say that you are not convinced by my explanation shows that you must have judged of my explanation. Otherwise, you could have not said that you are not convinced by my explanation.

C. 10 Impartial judgment aims at mutual sympathy

Though Smith's explanation that the judge within judges necessarily the judgment of the judge without may convince us, this does not necessarily suggest that we must also listen to the judgment of the judge within. In other words, though we may accept that we necessarily judge of the judgment of the judge without, and

[198] TMS III.2.32.

that we necessarily appeal to conscience in order to do this, it does not necessarily follow from this that we must also follow the judgement of our conscience. We may claim that though we must appeal to our conscience in order to judge of the judgment of others, we can well ignore the judgement of our conscience. In order to work out Smith's reply to this challenge, we must turn to Smith's conception of mutual 'love' or mutual recognition.

Smith suggests that human beings do not only desire to be recognised by others but also to be recognised as they are in themselves and for themselves. He expresses exactly this idea very nicely when he asserts that 'MAN naturally desires, not only to be loved, to be lovely; or to be that thing which is the natural and proper object of love.'[199] It seems to be very clear what Smith suggests here. He suggests that we do not only want to be loved by others but also we want to deserve to be loved. That is to say that we desire to be loved exactly for those qualities for which we want to be recognised. We want to be recognised as we are in ourselves for ourselves. According to Smith, we do not only want to be respected but also we desire to have those qualities so that we can be respected, that is, we do not only want to be respected but also we want to be able to respect ourselves. He says, therefore, that the 'most sincere praise can give little pleasure when it cannot be considered as some sort of proof of praise-worthiness.'[200] If we follow merely what others want us to be and what others want to praise in us, we would lead a life which would be determined and directed by others. Therefore, at the end of our life, we can hardly

[199] TMS III.2.1.
[200] TMS III.2.4.

say that we have really lived our life because such a life would be a life which would be alien to us.

In order to lead our own life and in order to be recognised for those qualities for which we want to be recognised, we must appeal to our impartial spectator within: '[t]o be pleased with such groundless applause is a proof of the most superficial levity and weakness. It is what is properly called vanity, and is the foundation of the most ridiculous and contemptible vices, the vices of affectation and common lying; follies which, if experience did not teach us how common they are, one should imagine the least spark of common sense would save us.'[201] Therefore, in order to avoid 'the most superficial levity' and 'the most ridiculous and contemptible vice', we must listen to our conscience.

However, this does not respond to the above-formulated challenge. Smith just formulates in a kind of prescriptive way what we to do in order to lead a kind of virtuous life. But he does not refer to the objective drive by which we may be forced also to listen to our conscience. In order to work this out we must refer back to his inter-subjective approach. In other words, what Smith says about recognition should not be interpreted in an individualistic sense. Smith's approach to the constitution of the self is an inter-subjective approach and accordingly his approach to the conception of recognition is an inter-subjective one. Smith does not only suggest that we seek for sympathy but he suggests that we seek for mutual sympathy or "mutual recognition". 'But whatever may be the cause of sympathy, or however it may be excited,' he asserts nicely, 'nothing pleases us more than to observe in other men a

[201] TMS III.2.4.

fellow-feeling with all the emotions of our breast; nor are we ever so much shocked as by the appearance of the contrary.'[202] As we may see in this passage, Smith deals with mutual recognition as an objective need.

According to Smith we do not want only to be recognised by others. We want also to be able to recognise ourselves in ourselves; to be able to 'recognise' in both its senses: we want to be able to recognise ourselves in others and in ourselves, and we want others to able to recognise themselves in us and in themselves.

> 'As the person who is principally interested in any event is pleased with our sympathy, and hurt by the want of it, so we, too, seem to be pleased when we are able to sympathize with him, and to be hurt when we are unable to do so. We run not only to congratulate the successful, but to condole with the afflicted; and the pleasure which we find in the conversation of one whom in all passions of his heart we can entirely sympathize with, seems to do more than compensate the painfulness of that sorrow with which the view of his situation affects us. On the contrary, it is always disagreeable to feel that we cannot sympathize with him, and instead of being pleased with his exemption from sympathetic pain, it hurts us to find that we cannot share his uneasiness.'[203]

This can, however, only be done if we appeal mutually to our consciences and this is the reason why we necessarily appeal to it.

Therefore, according to Smith, we can say that we are mutually constituted if we can recognise ourselves in others as we are in and for ourselves and if others can recognise themselves in us as they are in and for themselves. In a given society as long as this requirement is not met, it cannot be said that there prevails the principle of mutual love or sympathy. As long as the principle of mutual sympathy does not serve as the foundation human relations, no one claim that he is constituted as in and

---

[202] TMS I.i.2.1.
[203] TMS I.i.2.6.

for himself. Consequently, as long as we cannot say that we are really constituted, that is, as long as we cannot enjoy mutual sympathy, mutual love or "mutual recognition", we are driven to change social circumstances so that we can say that we are enjoying mutual sympathy. We may not be able to reach this end in its perfectionist sense but nonetheless, as long as we live, because of our social constitution, we are naturally driven to this end, and because of our social nature, we naturally abandon ourselves to strive to this end.

Part III: Smith's account of the situation of the self in the age of commercial society as given in *Wealth of Nations*

I think we can turn now to Smith's examination of the situation of the self in commercial society. By relying on TMS, I have been presenting above the general aspects of Smith's theory of the constitution of the self. There I have shown that Smith sets out the mirror theory as the basis of his theory of the constitution of the self. I have demonstrated that Smith defines human beings as mirrors of one another, which leads him to his famous formulation of the principle of *seeing oneself as others would or are likely to see one*. I have explored Smith's theory of impartiality as the foundation of his theory of the constitution of the self. As Smith develops his conception of the self in the tradition of Scottish Common-Sense philosophy, he takes impartiality in both its senses, external and internal: external impartiality refers to social relations, whereas internal impartiality indicates the principle of the freedom of conscience. My presentation of the general aspects of Smith's theory of the constitution of the self culminated then necessarily in his conception of mutual sympathy, or "mutual recognition", as we may prefer to call it nowadays.

However, Smith does not only develop a systematic theory of social individuality by relying on his observations of social relations which do not involve commercial exchange relations but he also examines the situation of the self in commercial society in the light of his theory of social individuality. Therefore, in order to work out Smith's own solution to the Adam Smith Problem we must turn now to his historical account of the situation of the self in the age of commercial society, which, as far as he could at that time, he fully explored in his historically-

speaking unique work: *An Inquiry into the Nature and Causes of the Wealth of Nations* (WN).

1. How to approach the *Wealth of Nations*

Now, many past and contemporary schools of social and political theory develop their theories directly or indirectly in relation to Smith's work. As we might expect, in the last 200 years and more, there emerged many different approaches to the interpretation of Smith's work. This may be one of the reasons why D.D. Raphael describes Smith as a 'master of many schools'[204]. In particular, WN is a very controversial work. There have been many different suggestions about how WN should be interpreted. Therefore, I think that it is of crucial importance to lay down some principles of how to approach WN.

The approach which I am going to suggest differs from most of the other interpretations. A "usual" interpretation reads like this: "according to Smith if markets were left to their dynamics and if market forces could unfold without any constraints production would become more effective and wealth would be distributed equally. Therefore, the problems we face in markets do not originate from markets themselves. They rather arise because alien forces, such as the state, intervene into markets and disturb thereby their workings". Smith is of course not entirely irresponsible for such caricaturing interpretations. He seems indeed to use sometimes such hypothetical arguments in order to criticise monopolistic structures in markets

[204] Cf. Raphael (1985), pp. 1-7.

and protectionism in international relations. However, his analysis of social relations in commercial society is not as simple as the description above implies. We may grasp the complexity of his analysis and the comprehensiveness of Smith's view if we return to his own methodological principles on the basis of which he operates in WN.

As far as I can see, there are two important methodological principles which may be of great help in approaching WN. The first one is Smith's explicit use of critical Common-Sense realism as a methodological principle, which means that the subject under examination must be analysed and presented as it really *is*. The second one was formulated again by Smith more or less explicitly by utilising the categories of 'essence' and 'appearance' throughout his work. Though he often uses these two categories in a very loose way, when he uses them explicitly, they are nonetheless very fundamental to his scientific concerns in WN. Karl Marx was probably one of the first to recognise and refer to this in Smith's work and he is one of the first to work this out in order to explain those controversial discussions in the 19th century.

Firstly, Smith employs and applies his critical Common-Sense theory as a universal methodological principle to all fields of science. This means that he applies it also to his examination of the constitution of society in the age of commerce. However, WN is not confined merely to the critical examination of the workings of commercial society. Though this is the main subject of WN, he explores there nonetheless both the general aspects of the constitution of society, which can hardly be confined to commercial society, and gives a critical explanatory account of the particular form of this constitution in commercial society.

Secondly, Marx, as one of the most accurate scholars of Smith and as one who was preoccupied with Smith's work for almost forty years, asserts that with WN political economy is for the first time systematised in all its categories and as a whole. That is to suggest that all essential categories of political economy in their relation to one another were formulated first in WN. Marx differentiates in this context between an 'esoteric part' and an 'exoteric part' in WN. According to Marx, in the esoteric part of WN, Smith attempts to grasp the essence or 'physiology of the bourgeois system', or, in other words, Smith 'pursues the inner relations of economic categories or the hidden construction of the bourgeois economic system.' In the exoteric part of WN, however, Smith describes, according to Marx, besides these inner connections of economic categories, their connections as they are given 'in the appearances of competition'. In other words, as they present themselves to an 'unscientific observer' as well as to somebody who is 'embedded and interested in the process of bourgeois production'.[205]

Although Marx criticises Smith for not being consistent, (which can, however, according to Marx, be justified from a historical point of view because Smith was entering a new field), he is not prepared to describe Smith as an apologist for market or commercial society, as Hayek's unhistorical and rather superficial interpretation of Smith's work seems to suggest. Generally speaking, Marx prefers to define Smith, along with David Ricardo, for example, as a scientist rather than as an apologist.[206] However, what is more important for the issue at stake here, is that Marx's distinction between an 'esoteric' and an 'exoteric part' of WN provides us with a

[205] Cf. Marx (1987), vol. pp. 162-163.
[206] Marx (1988), vol. 1, p. 21.

clue as to how to approach WN, namely that the exoteric aspects of Smith's work refer to market relations, that is, to the relation between buyers and sellers, whereas the esoteric aspects explore social relations in the sphere of production in bourgeois society.

These two methodological principles taken together mean with regard to Smith's examination of the situation of the self in commercial society, that is, to his examination of it in WN, *first*, that we must approach it historically both in the sense that we must read Smith's work in its historical context as well as in the sense that Smith himself approaches commercial society from a historian's point of view; and, *second,* we must explore his examination of the constitution of the self in the age of commercial society in the sphere of production as well as in that of market relations. In the sphere of market relations we have to work out what the relation between buyers and sellers of commodities means to the constitution of the self. In the sphere of production we must do this in two closely-related respects, namely in that of the division of labour and in that of social class relations.

2. Smith's account of the situation of the self in commercial society

2. 1 Smith's account of the situation of the self in market relations

In his account of market relations, Smith identifies a causal relation between the division of labour and the genesis of market society. The division of labour does not only give rise to 'a proportional increase of the productive powers of labour' but it brings about at the same time the 'separation of different trades and employments

from one another'.[207] It is this separation and differentiation of trades and employments which give rise to commercial exchange or market relations, as Aristotle had already asserted. 'For it is not two doctors that associate for exchange, but a doctor and a farmer', Aristotle asserts in the famous 5th chapter of book 5 of *Nicomachean Ethics* on the division of labour.[208]

> 'When the division of labour has been once thoroughly established, it is but a very small part of a man's wants which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a *merchant* and the society itself grows to be what is properly a commercial society.'[209]

However, though the division of labour gives rise to market relations, they in turn set limits to the division of labour. In other words, there is as causal relation between the division of labour and the extension and the depth of market relations, that is, the depth and extension of the division of labour depends on the extension of market relations, and vice versa, the depth and extension of market relations depend on the division of labour.

However, market relations do not only necessarily involve the concept of difference but they also necessarily require the concept of equality, as again already pointed out by Aristotle. For Aristotle suggests not only that commercial exchange relations take place 'in general' between 'people who are different and unequal'[210]

---

[207] WN I.i.4.
[208] Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133[a] 15-20.
[209] WN I.iv.1.
[210] Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133[a] 15-20.

but he asserts also 'but these must [also,-DG] be equated.'[211] Smith also deals with the concept of equality in commercial exchange relations. However, he deals with the concept of equality in commercial exchange relations in a particular way, which is, in its literal sense unique in the history of European social and political thought. In this context he does not refer to the formal concept of equality, though he is very well aware of the fact that the very act of selling and buying necessarily involves also the act of entering into a contract[212] which can only be made between two formally equal parties. Smith agrees with Aristotle also with regard to his assertion that this equality cannot be seen in monetary relations which may express this equality but do not serve the foundation of this equality. Like Aristotle, Smith looks for some much deeper explanation.

The question he seems to ask, like Aristotle, is this: if all 'goods' can be exchanged for one another they must 'be measured by some one thing'[213], but, what is this THIRD thing which 'holds all things together'?[214] In his answer to this question, Smith differs, however, fundamentally from Aristotle. Whereas Aristotle refers to 'demand'[215], which seems to mean 'need', Smith refers to general human LABOUR as the mediating third between exchanged 'goods', as Aristotle calls them, or 'commodities', as Smith mostly prefers to call them. For needs may be a drive to labour, and may be satisfied through the exchange of commodities, but, in most cases they themselves can hardly be exchanged. For if someone is thirsty and another one is hungry they can hardly say to one another 'there, you take my thirst and give me

[211] Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133^{a} 15-20.
[212] WN I.ii.2.
[213] Cf. Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133^{a} 25-30
[214] Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133^{a} 25-30.
[215] Aristotle (1985), Nicomachean Ethics, book 5, ch. 5 1133^{a} 25-30.

your hunger'. Apart from the fact that they cannot exchange their needs against one another, they can thereby hardly satisfy them even if they could. Therefore, the satisfaction of needs may serve as a drive, and it may be the intended end of exchange, but it cannot be said to be the mediating third between the exchanged commodities.

Though this thought appears to be a very simple one, nonetheless it seems to have taken more than two thousands years for it to come to be considered in this light. Though it is sometimes said that Smith is not very clear, he seems nonetheless to be the first philosopher in the history of European social and political thought who formulated it with this clarity. Arguing particularly against Mercantilists, he asserts that '[l]abour, therefore, it appears evidently, is the only universal, as well as the only accurate measure of value, or the only standard by which we can compare the values of different commodities at all times and at all places.'[216] Therefore, if we look for the foundation not only of the difference but also of the equality in exchange relations, we must refer to human labour. However, if we look for the reason for difference we must refer to 'particular work', as Smith calls it, or to 'concrete labour', as Marx prefers to call it, whereas, if we look for the reason for equality, we must refer to general or abstract human labour, because human beings do not only produce as farmer or smith and so on by their concrete labour, but they produce also as human beings.

As opposed to Aristotle, who approaches exchange relations merely from the point of view of difference and equality, Smith deals with exchange relations by

[216] WN I.v.17.

relying on Hobbes' account of them as *power relations*. In this context he seems to use the term power some times in a neutral way in the sense of potentiality – potentiality to buy and sell commodities. However, when he examines actual commercial exchange relations he seems to use this term in terms of domination, that is to say that it necessarily implies a sort of relation between ruled and rulers. When he explains, for example, the causal relation between the division of labour and market relations, he emphasises, therefore, that exchange relations are in fact nothing but power relations. He asserts, for example, that 'it is the *power of exchanging* that gives occasion to the division of labour, so the extent of this division must always be limited by the extent of that *power*, or, in other words, by the extent of the market.'[217] Smith is, of course, rather critical of Hobbes' direct causal account of the relation between economic and political power[218], but he does not hesitate to define commercial exchange relations in terms of those relations between ruled and rulers, in short, as power relations. Therefore, instead of speculating about equality in market relations he introduces his analysis of commercial exchange relations with the assertion that 'EVERY man is rich or poor according to the degree in which he can afford to enjoy the necessaries, conveniencies, and amusements of human life.'[219]

Smith seems to prefer to introduce his analysis of the value of commodities with this assertion not because he is unaware of the fact that formal equality is a prerequisite for commercial exchange relations. He seems also to prefer to introduce his analysis with this assertion not because he underestimates the fact that market relations necessarily imply difference between buyers and sellers. He is, of course,

[217] WN I.iii.1 (italics added).
[218] Cf. WN I.v.3.
[219] WN I.v.1.

very well aware of all these facts. He seems to prefer to identify commercial exchange relations as power relations because he seems to suggest that when the market as an institution comes to serve the foundation of all fundamental social relations, it expresses a kind of social inequality which turns all forms of equality and difference into relations of social domination. He seems to suggest that commercial society exhibits already at its very "surface", that is, in commercial exchange-relations, those inequalities which arise from social class relations; already in market relations in which everybody is supposed to be formally equal to everybody else, we meet the distinction between social classes, which we usually grasp in their full complexity only in the sphere of production.

I will be returning to these issues and dealing with them more extensively when I come to deal with Smith's account of social relations in the sphere of production in commercial society. Let us for the time being not concentrate on social class issues. Instead, let us for the time the being suppose that all participants in the market are formally equal to one another. However, even if we ignore social class relations, even if we suppose that all participants in the market are equals, Smith still thinks that this does not settle the issue about power relations in a market society. Let us, therefore, see why Smith thinks that power relations are essential to commercial exchange relations. The answer to this question will also provide an answer to the question of why Smith thinks that the market or commercial exchange-relations require that we address ourselves to one another's self-love or self-interest rather than to one another's conscience or benevolence.

Smith's answer to the question why commercial exchange-relations necessarily involve power-relations lies in his account of the division of labour. As I have pointed out above, Smith says that the division of labour gives rise to the 'separation of different trades and employments from one another'. This assertion of Smith's contains at least three implications. *First*, with the 'separation of different trades and employments from one another', the division of labour gives rise also to private property-relations; *second*, due to the 'separation of different trades and employments from one another', and to the rise of private property-relations, there arises also a kind of economic *isolation* of individuals from one another, that is to say that each individual works solely for himself; *third*, because of all these reasons there emerge also commercial exchange-relations which are nothing but quantitative power-relations. In short, in commercial society everybody is economically separated and isolated from one another, and the amount of commodities which each individual possesses, determines his position in relation to others.

According to the amount of commodities which each individual possesses, he usually commands an equal amount of commodities which are in the possession of others. If he possesses a big amount he commands a big amount of commodities, and if he possesses a small amount he commands a small amount of the commodities of others. The more or less he possesses in market society, the more or less amounts of commodities he commands from the possession of others. At the worst, if he possesses nothing, he commands nothing and, therefore, he counts *absolutely* as nothing in the views of others. In short, the amount of commodities, whether more or less, whether huge or little or at worst nothing, which each individual possesses is

existential: it determines what and how one counts in the view of others. It is this mutual command-relation in commercial exchange relations, which Smith defines as the 'power of exchanging'.

This explains also why we necessarily appeal in commercial exchange-relations, according to Smith's above-given account, to one another's self-interest rather than to one another's conscience or benevolence. For if one's possession of the amount of commodities is existential; if it determines our position in relation to one another; if it determines whether we count and how we count in the "eyes" of one another, everyone must be very keen to save and accumulate his possession.

If we stand, therefore, in need of a certain amount of a certain commodity, we must convince the possessor that the exchange we aim at is in his own interest rather than in ours; we must convince him that the exchange we suggest is going not only not to lessen his possessions but to satisfy certain of his needs; we must convince the possessor of the commodity we need that even if it is not going to satisfy his specific needs, it is going to enlarge the quantity of his possessions, which itself becomes a kind of need in a commercial society; we must convince the possessor that even if the exchange we suggest is not going to do this immediately, that it is going to do so in due time. Therefore, by any offer like '[g]ive me that which I want, and you shall have this which you want'[220] we mean that it is above all in your own interest if you accept our offer. By any such offer we appeal, therefore, to each other's self-love or self-interest, rather than to their conscience or benevolence.

---

[220] WN I.ii.2.

2. 2 Smith's account of the situation of the self in the sphere of production

2.2.1 Smith's account of the division of labour as affecting the situation of the self

Smith's concept of labour is very complex and more comprehensive than is dealt with here, where I will be concentrating on those aspects of Smith's account of the division of labour which affect the situation of the self.

Smith ascribes the historical development towards commercial society to the growth of the wealth of society, which originates from the increasing division of labour. However, he points out at the same time two forms of alienation arising from the division of labour. The first relates to his conception of alienation caused by the horizontal form of the division of labour and the second to his theory of class conflicts occasioned by the vertical form of the division of labour. Though these two aspects of Smith's account can hardly be separated, let us first concentrate mainly on the alienation caused by the horizontal division of labour.

In WN, Smith does not start his 'Inquiry into the Nature and Cause of the Wealth of Nations' with the role of machines in the improvement of the productive forces of labour. Machines indicate the industrial stage in the development of commercial society. They became, therefore, first in the 19th century the major subject for considerations of the division and improvement of the productive forces of labour. Rather he reflects upon the 'Nature and Cause of the Wealth of Nations' in the stage of manufactory as the early form of production in commercial society. He deals, therefore, with machines as the means of improvement of the productive

forces of labour only in the third place – after the division of labour and the concentration of production. In the very first chapter of WN, he points to the division of labour as the major source of the enhancement of the productive forces of labour. 'The greatest improvement in the productive powers of labour', he asserts, 'and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour.'[221] Against the background of manufactory as the dominant mode of production, he suggests then that '[m]en are much more likely to discover easier and readier methods of attaining any object, when the whole attention of their minds is directed towards that single object, than when it is dissipated among a great variety of things.'[222] This seemed to Smith the only way to improve the productive forces of labour in a manufactory-based mode of production.

However, Smith does not only consider this aspect of the division of labour. He works out also its effects upon the intellectual and social qualities of individuals. 'But', he says, 'in consequence of the division of labour, the whole of every man's attention comes naturally to be directed towards some one very simple object.'[223] He outlines then, with soberness, the consequences of the concentration on 'some one very simple object', which we may miss sometimes in contemporary discussions of the division of labour.

> 'In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations; frequently to one or two. But the understandings of the greater part of men are

[221] WN I.i.1.
[222] WN I.i.8.
[223] WN I.i.8.

> necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects too are, perhaps, always the same, or very nearly the same, has no occasion to exert his understanding, or exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as *stupid* and *ignorant* as it is possible for a human creature to become.'[224]

He concludes then further down that the 'great body of people' acquire their dexterity at the cost of their 'intellectual, social and martial virtues. But in every improved and civilized society this is the state into which the labouring poor, that is, the great body of people, must necessarily fall, unless government takes some pains to prevent it.'[225] Smith's reference to intellectual and social virtues is the most important one for the issue at stake, namely for his account of the situation of the self in commercial society. For intellectual and social virtues are particularly those qualities which enable individuals to judge properly, that is, impartially, not only in their own case and in the case of others in a communicative situation of action but also on a broader scale in the affairs of the society they live in and, of course, in the affairs of humanity into which they are somehow embedded. Without these intellectual and social virtues, that is, when they 'become as *stupid* and *ignorant* as it is possible for a human creature to become', they can hardly be in a position where they can judge impartially in any of these cases – even in the simplest cases in their everyday life.

[224] WN V.i.f.50 (italics added).
[225] WN V.i.f.50.

In his account of the situation of the self in relation to the division of labour, Smith formulates another kind of dilemma which is hardly taken notice of by most commentators. This is the contradiction between necessity and liberty, between labour and play. He refers to this dilemma by describing the situation of a boy in a manufactory. He refers at first sight merely the invention of the improvement of a machine by chance. However, it is usually overlooked that Smith describes also the above-mentioned dualism when he describes that

> '[i]n the fire-engines a boy was constantly employed to open and shut alternately the communication between the boiler and the cylinder, according as the piston either ascended or descended. One of those boys, *who loved to play* with his companions, observed that, by trying a string from the handle of the valve, which opened this communication, to another part of the machine, the valve would open and shut without his assistance, and leave him at *liberty* to divert himself with his play-fellows.'[226]

Though Smith uses here the example of a boy when he formulates the above-mentioned dualism, it concerns not only children. On the contrary, it applies to the whole world of labour.

This may be seen more clearly, when we consider what he says about life by referring to the Stoics.

> 'Human life the Stoics appear to have considered as a game of great skill; in which, however, there was a mixture of chance, or of what is vulgarly understood to be chance. In such games the stake is commonly a trifle, and the whole pleasure of the game arises from playing well, from playing fairly, and playing skilfully. If notwithstanding all his skill, however, the good player should, by the influence of chance, happen to lose, the loss ought to be a matter, rather of merriment, than of serious sorrow. He has made no false stroke; he has done nothing which he ought

[226] WN I.i.8 (italics added).

> to be ashamed of; he has enjoyed completely the whole pleasure of the game.'[227]

At first sight, Smith seems to refer here to the Stoics' conception of the game in a rather neutral way. However, we know from his various considerations in WN and in TMS, that this conception was very crucial to Smith. His reference also sounds at first sight rather subjectivist. However, he considers not only individual capabilities in his conception of life, as the Stoics might have done, but also external social circumstances. Smith knew very well that without reasonable social circumstances life could hardly be led successfully. Therefore, because of these considerations, Smith's reference to the little boy should be read as an account, and also as a criticism, of the totality of social circumstances, not only those of the little boy.

2.2.2 Smith's account of the self as affected by social class structure

According to Smith's analysis, market society does not only give rise to the separation and differentiation of trades and employments from one another, and consequently to the economic isolation of individuals from one another; it also separates and squeezes them into the structure of social classes in accordance with their position vis-à-vis the means of production and their source of revenue. When we enter the sphere of production, we meet individuals no longer as individuals who are equals among equals. Rather we meet them, according to Smith's description of social relations in the sphere of production, as representatives or personifications of different social classes.

---

[227] TMS VII.ii.1.24.

In order to analyse and explain the structure of social class relations in a market society, Smith differentiates between three different social classes. They have, in some historical, social and political situations, similar interests, and in some other situations, different and even antagonistic interests. These social classes are, of course, by no means harmonious in themselves; according to their employment and possession, they are divided into different 'ranks' and 'orders'. However, because of the sameness of the source of their revenue, they share similar or even the same interests in relation to other social classes.

The structure of social class relations in commercial society, both their internal as well as their external relation to one another, can be grasped in their whole complexity when we picture Smith's analysis of the social relations in the sphere of production, which lie often hidden behind commercial exchange-relations, and which we therefore perceive sometimes in a distorted way. For, if we remain at the level of exchange relations in the market, we observe everybody as equals among equals. So, for example, if we take a capitalist and a labourer, they seem to be equals at the market level. If we penetrate, however, into the sphere of production, we perceive an entirely different picture. Except for the fact that they share the same species, there remains almost nothing from the equality which we observe at the surface of commercial society. Therefore, let us turn now to Smith's account of social relations in the sphere of production.

Smith's main aim in WN, particularly in the first book, is to provide an answer to the questions as to what the wealth of nations is, how it comes about and how it is

distributed among different social classes. He defines wealth as the annual produce of land *and* labour and argues thereby against three competing schools.

Firstly, he argues against the mercantilists, who claimed that the wealth of a country would consist in the total amount of money and precious metals. However, according to Smith's theory of wealth, money and precious metals, as a means of commercial exchange, may express the wealth of a country but they present in themselves no wealth at all.

Secondly, in his definition of wealth Smith argues against the physiocrats, who claimed that wealth would consist only in the annual produce of labour employed in agriculture. In Smith's view, the annual produce of labour in agriculture may represent a part of the wealth of a country, but it does not represent its wealth as a whole.[228]

Thirdly, with his definition of wealth, Smith also criticises Locke. In the history of political economy, Locke is sometimes seen as a pure mercantilist, and Smith criticises him, along with Montesquieu and Hume, as such. But Locke seems not to be a pure mercantilist. For in his definition of wealth, at least within the framework of his theory of value, he defines wealth, like Smith, as consisting in the annual produce of labour. However, within his theory of value, Locke seems to separate labour from its object, namely from nature. Therefore, unlike Locke, Smith suggests that wealth consists in the annual produce of labour *and* land.

---

[228] Cf. WN IV.ix.

At first sight, Smith would seem still to differentiate between the particular form of labour employed in agriculture and labour in general. This may indeed be one way of interpreting Smith's definition. However, if we take into account what he says about professions and labour in the TMS[229], and that he begins WN with a discussion of labour as a criticism of the physiocrats, we may be able to assert that Smith defines labour in its dialectical unity with its object, namely with nature, as the sole source of wealth.

In accordance with his account of the distribution of the wealth of a country, Smith defines three main social classes in commercial society which compete with and fight against one another in order to have a greater share of this wealth. He asserts that '[t]he whole of what is annually either collected or produced by the labour of every society, or what comes to the same thing, the whole price of it, is in the manner originally distributed among some of its different members. Wages, profit, and rent, are the three original sources of all revenue derived from one or other of these.'[230] Smith's reference to his rather sophisticated theory of price should not concern us here. What is more important, in the light of the issue in question, is again his definition of wealth, its cause, namely labour (understood in a dialectical unity with nature), and his theory of distribution. In this context, Smith differentiates between three sources of revenue: *wage, profit* and *rent*. These three forms of revenue correspond to three different social classes in market society: that of labourers, that of manufacturers and that of landlords.

[229] Cf. TMS V, particularly V.2.7 and V.2.13.
[230] WN I.vi.17.

Smith explains the genesis of these social classes historically in relation to their positions with regard to the means of production. He gives this explanation fully in his *Lectures on Jurisprudence.* In WN, however, though he refers to the historical aspects of the genesis of these social classes in an almost oversimplified way, he emphasises their position vis-à-vis the means of production.

According to Smith's account in WN, the occurrence and the development of private property in the means of production plays a central role. As is generally well known, Smith divides the historical development of society into four stages. The first stage is the stage of hunters and gatherers, which he sometimes refers to as the 'original state of things'. 'In that original state of things, which precedes both the appropriation of land and the accumulation of stock, the whole produce of labour belongs to the labourer. He has neither landlord nor master to share with him.'[231] However,

> '[a]s soon as the land of any country has all become private property, the landlord, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruit of the earth, which, when land was in common, cost the labourer only the trouble of gathering them. He must then pay for the licence to gather them; and must give up to the landlord a portion of what his labour either collects or produces.'[232]

Smith calls what the labourers must pay to the landlords *rent.* The position of the landlords in relation to the land as a particular means of production, and their revenue, serve as the economic foundation of the constitution of the landlords as a social class.

---

[231] WN I.viii.2.
[232] WN I.vi.8.

However, what is the socio-genesis of manufacturers and what constitutes them as a social class? The emergence of manufacturers as a social class has to do with another kind of private property, or monopolisation of another kind of the means of production, which Smith calls 'stock'. 'As soon as stock has accumulated in the hands of particular persons, some of them will employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a *profit* by the sale of this work, or by what their labour adds to the value of the materials.'[233] In order to work out what Smith means by wage or wages, we must qualify further what he means by his term 'stock'.

Smith defines more accurately what he means by this in WN II.i. He defines stock first as a means of subsistence. 'When the stock', he asserts, 'which a man possesses is no more than sufficient to maintain him for a few days or few weeks, he seldom thinks of deriving any revenue from it. He consumes it as sparingly as he can, and endeavours by his labour to acquire something which may supply its place before it be consumed altogether. His revenue is, in this case, derived from his labour only. This is the state of the greater part of the labouring poor in all countries.'[234] However, when stock is accumulated in the hands of 'particular persons' and if it is employed in order to make 'profit', it becomes 'capital'. The

> 'whole stock, therefore, is distinguished into two parts. That part which, he [manufacturer,-DG] expects, is to afford him this revenue [profit,-DG], is called his capital. The other is that which supplies his immediate consumption; and which consists either, first, in that portion of his whole stock which was originally reserved for this propose; or, secondly, in his revenue, from whatever source derived, as it gradually comes in; or,

[233] WN I.vi.5 (italics added).
[234] Cf. WN II.i.1.

> thirdly, in such things as had been purchased by either of these in the former years, and which are not yet entirely consumed; such as a stock of cloaths, household furniture, and the like. In one, or other, or all of these three articles, consists the stock which men commonly reserve for their own immediate consumption.'[235]

Having defined capital in this way, Smith moves on to work out what different forms of capital are, which, however, should not concern us here. What is important here is that Smith defines capital as a form of the means of subsistence, which turns itself into capital when it is employed by certain persons in order to make *profit*. This particular position of these persons with regard to the means of production, and the form of revenue derived from it, constitutes, in Smith's view, the class of manufacturers, or capitalists, as they are called generally, at least since the 19th century.

From what has already been said above about the constitution of landlords and capitalists as social classes, we may be able to deduce which circumstances determine the constitution of labourers as a social class. The main circumstance which constitutes labourers as a social class is above all their separation from all the means of production, that is, from the land and all other means of production, which Smith subsumes under his term 'stock'. In other words, labourers as a social class consist of that part of the people of a country who, except for their labour power, possess nothing of the means of production. Because of this, labour, as a productive and qualitative form of action, turns itself into a particular form of commodity in

[235] WN II.i.2.

commercial society. Smith calls the revenue which labourers receive for their productive activity of labour *wages.*

We can turn now to Smith's account of the relation of these social classes to one another. In his analysis of this, Smith seems to make use of two different approaches.

Firstly, he analyses the relation between these social classes in commercial society in terms of their position vis-à-vis the means of production. From this angle, Smith seems to draw a line between *on the one hand* the labourers *and on the other hand* the manufacturers and the landlords. He appears to assert an antagonistic interest between the former and the latter. The last mentioned two social classes own all the means of the production and live at the expense of labourers by appropriating the value which the labourers add to the material by their work. He is, of course, very well aware of the fact that the interests of the landlords and the manufacturers are by no means the same. Each of them tries to appropriate the bigger portion of the value. However, in relation and in opposition to the class of labourers, they have similar interests.

Secondly, however, Smith approaches his analysis also from a historical, sociological and political point of view. From this angle he comes to an entirely different conclusion. Though he asserts that the interests of the labourers and those of the manufacturers or 'masters', as he calls them, are antagonistic interests he asserts, 'the workman may be as necessary to his master as his master to him; but the

necessity is not so immediate.'[236] This might seem to be a contradiction. Smith argues on the basis of what he regards as historically necessary. In order to work out the reason for this seeming contradiction, we must work out the reason for Smith's justification of commercial society. However, before we do this we should draw some preliminary general conclusions by confronting his conception of social individuality, as presented in the second part of this thesis, with his account of the situation of and the relations between individuals in commercial society as discussed above.

3. Some comparative conclusions

Now, from whichever angle we approach Smith's analysis of social relations in commercial society, there is always a huge gap between his conception of social individuality as developed in TMS and his account of the situation of the individual in commercial society as described in WN. So, for example, if we approach his account of the situation of the individual in commercial society from the viewpoint of his conception of sympathy: within the framework of his general conception of social individuality, he defines sympathy not only as a means of communication but also as a mutual need. However, when we come to examine his account of the situation of individuals in relation to one another in commercial society, whether we observe them at the level of commercial exchange-relations or at the level of production, there are no sympathetic relations at all. The only principle which mediates between individuals in commercial society is pure self-interest.

---

[236] WN I.viii.12.

However, there is an important difference between Smith's account of the situation of and the relations between individuals at a market level and his account of the situation of the individual in the sphere of production. At the surface of commercial society, that is, at the level of market relations, according to Smith's account, though we perceive individuals as being reduced to some abstract quantitative figures with some exchangeable quantitative value-connotations, we perceive them nonetheless as individuals being worth this or that much exchangeable value. So, for example, we perceive them as individual Xs or Ys consisting of this or that much commercially exchangeable value. In other words, their individual bodily and intellectual qualities are viewed merely in terms of quantitative exchangeable values. When we turn to Smith's account of the situation of individuals at the level of production, we perceive them, however, not as individuals at all. They are squeezed into the structure of different social classes and they are seen merely as representatives or personifications of their social class.

Because of the similarity of their class interests, individuals may sympathise with one another within their own social classes. However, even within a given social class, sympathetic relations are exceptional and they are only possible in certain situations in relation to other social classes when they fight against one another in order to secure the bigger portion of the annual wealth. However, even this sympathy which may arise within social classes is not a communicative and voluntary sympathy. On the contrary, it is a forced sympathy. Moreover, when we observe relations between the social classes, we observe there again, according to Smith's account, no sympathetic relations because they do not share the same

situation. On the contrary, there prevails nothing but a permanent clash of interests and a permanent "war" against one another. Landlords and manufacturers fight necessarily against labourers. Labourers fight necessarily against manufacturers and landlords. Landlords fight necessarily against manufacturers and manufacturers fight against landlords.

All in all, if we examine Smith's account of social relations in any sphere of commercial society, we observe that there is no general morality; that there is no impartiality; that there is no mutual sympathy; that there is no mutual love and mutual recognition. In whichever sphere we examine his account of social relations in commercial society, we find that there prevail the principles of nihilism, utility, pure self-interest, and, as a consequence of all these, that there is alienation; that is to say, we observe that there prevail only those principles which oppose diametrically to Smith's most fundamental principles which he laid down to his general theory of the constitution of the self in TMS.

Smith is, of course, very well aware of this fact. In order to see that there is a contradiction between his concept of social individuality and his account of merely self interested and egoistic individuals in commercial society, we did not have to wait till the so-called 'Adam-Smith-Problem' was formulated. It is really not very difficult to see that there is a dualism between his conception of social individuality and his account of the situation of individuals in commercial society. Additionally, in order to find out that there is a dualism between his conception of social individuality and his account of the situation of the self in commercial society, we did not have to wait till WN was published.

Smith himself deals already in TMS with different forms of this dualism throughout history. Already in the TMS, he asserts in his account of the situation of and the relation between individuals and social classes in commercial society that '[e]very independent state is divided into many different orders and societies, each of which has its own particular powers, privileges, and immunities. Every individual is naturally more attached to his own particular order of society, than to any other. His own interest, his own vanity, the interest and vanity of many of his friends and companions, are commonly a good deal connected with it. He is ambitious to extend its privileges and immunities. He is zealous to defend them against the encroachments of every other order or society.'[237]

However, if we follow the contemporarily prevailing interpretations of WN, we should expect him to say nothing about morality. He asserts nonetheless that '[i]n every civilized society, in every society where the distinction of ranks has once been completely established, there have been always two different schemes or systems of morality'.[238] Smith seems even to say that due to this distinction of ranks and orders within a society, there are also two different languages within a language, with its whole distorting consequence for communication.[239]

On the one hand, in commercial society, Smith observes that in all those social relations which cannot be confined to commercial exchange-relations, all human beings seek for and are prepared to give way to mutual sympathy, mutual love and

[237] TMS VI.ii.2.7.
[238] WN V.i.g.10.
[239] Cf. LRBL, pp. 4-5.

mutual recognition, which are in fact different expressions of one and the same principle. He asserts nicely that

> '[w]hen we have read a book or poem so often that we can no longer find any amusement in reading it by ourselves, we can still take pleasure in reading it to a companion. To him it has all the graces of novelty; we enter into the surprise and admiration which it naturally excites in him, but which it is no longer capable of exciting in us; we consider all the ideas which it presents rather in the light in which they appear to him, than in that in which they appear to ourselves, and we are amused by sympathy with his amusement which thus enlivens our own. On the contrary, we should be vexed if he did not seem to be entertained with it, and we could no longer take any pleasure in reading it to him. It is the same case here. The mirth of the company, no doubt, enlivens our own mirth, and their silence, no doubt, disappoints us. But though this may contribute both to the pleasure which we may derive from the one, and to the pain which we feel from the other; it is by no means the sole cause of either; and this correspondence of the sentiments of others with our own appears to be a cause of pleasure, and the want of it a cause of pain, which cannot be accounted for in this manner. The sympathy, which my friends express with my joy, might, indeed, give me pleasure by enlivening that joy: but that which they express with my grief could give me none, if it served only to enliven that grief. Sympathy, however, enlivens joy and alleviates grief. It enlivens joy by presenting another source of satisfaction; and it alleviates grief by insinuating into the heart almost the only agreeable sensation which it is at that time capable of receiving.'[240]

On the other hand, however, when he comes to analyse social relations in commercial society, he comes to an entirely opposite assertion, namely that

> '[i]n civilized society he [man,-DG] stands at all times in need of the cooperation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons. In almost every other race of animals each individual, when it is grown up to maturity, is intirely independent, and it its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to *prevail* if he can

[240] TMS I.i.2.2.

> interest their self-love in his favour, and shew them that it is for their own advantage to do for him what he requires of them. *Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer;* and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.'[241]

Though Smith observes this fact that in commercial society, that is, in commercial exchange relations there prevails the only principle of 'absurd self-love'[242] he is not prepared to accept that the principle of self-love and utility is the sole principle of all social relations. In TMS.I.i.2.1 where he argues explicitly for the first time against those philosophers whose starting point in their ethics is the principle of self-love and utility, Smith asserts that

> '[t]hose who are fond of deducing all our sentiments from certain refinements of self-love, think themselves at no loss to account, according to their own principles, both for this pleasure and this pain. Man, say they, conscious of his own weakness, and of the need which he has for the assistance of others, rejoices whenever he observes that they adopt his own passions, because he is then assured of that assistance; and grieves whenever he observes the contrary, because he is then assured of their opposition. But both the pleasure and the pain are always felt so instantaneously, and often upon such frivolous occasions, that it seems evident neither of them can be derived from any such self-interested considerations.'[243]

Therefore, the principles of self-interest and utility cannot be the foundation of social relations which are founded on the principle of mutual sympathy.

---

[241] WN I.ii.2 (italics added).
[242] TMS II.iii.1.5.
[243] TMS I.i.2.1.

4. Smith's historical justification of commercial society

If it is true, however, that Smith sees clearly this contradiction between his conception of social individuality and his account of the situation of and the relation between individuals in commercial society; if my reading is correct that Smith observes clearly that there is no freedom of conscience, which he regards as one of the greatest goods and indeed as the sole precondition for seeing one another in one another, that is, making objective judgements of oneself and of others; why does he, instead of formulating a fundamental critique, analyse and justify commercial society?

Smith's justification of commercial society is not an unconditional one. Rather he justifies commercial society because he regards its establishment as a historical advance in the history of humanity in almost all respects. In particular, his comparative historical studies in *Lectures on Jurisprudence* give a very accurate account of this. Smith's justification of commercial society in relation to other social formations in history is a very complex one. He approaches it above all from a historical point of view. In this context, we might be able to deal with his justification at least in five respects: economic, political, sociological, juridical and ethical. However, I am not going to work out all these aspects here. This would probably require a separate inquiry. I would like to point out here merely two closely interrelated aspects which are, I think, of great importance for the issue at stake.

Firstly, with regard to Smith's historical economic justification of commercial society: Smith formulates this historical economic justification of commercial society

already in his 'INTRODUCTION AND PLAN OF THE WORK' of WN. According to Smith's account, in relation to earlier social formations commercial society is richer. Smith compares, for example, 'savage nations of hunters and fishers' with 'civilized and thriving nations'. There he asserts that though in savage nations 'every individual who is able to work, is more or less employed in useful labour,' they are, however, 'so miserably poor, that, from mere want, they are frequently reduced, or, at least think themselves reduced, to the necessity sometimes of directly destroying, and sometimes of abandoning their infants, their old people...' In commercial society, however, 'though a great number of people do not labour at all, many of whom consume the produce of ten times, frequently of a hundred times more labour than the greater part of those who work; yet the produce of labour of the society is so great, that all are often abundantly supplied, and a workman, even of the lowest and poorest order, if he is frugal and industrious, many enjoy a greater share of the necessaries and conveniences of life than it is possible for any savage to acquire.'[244] A similar comparison occurs in the main text of WN. He makes a comparison between the accommodation of a 'frugal peasant' and an 'African king' who is 'the absolute master of the lives and liberties of ten thousand naked savages'[245] and asserts that the accommodation of the former exceeds many times that of the latter.

Secondly, with regard to Smith's historical-sociological justification of commercial society, which is connected immediately with his historical economic justification: as is generally well known, Smith criticises the structure of the division of labour in commercial society because it gives occasion to the alienation of

[244] Cf. WN, p. 10.
[245] WN I.i.11.

individuals in many forms, nonetheless, instead of championing a romantic return to earlier formations of society, like Rousseau in his early writings for example, he prefers to justify commercial society not only from a historical economic point of view but also from a historical-sociological point of view. He does this because he thinks that commercial society is not only relatively wealthier but also more dynamic. Of course, Smith's argument about wealth and dynamism, taken as a goal in-itself, may seem to be not strong enough to serve as justification. However, we may accept his argument about wealth and dynamism if we see that behind this there lies his conception of communication, which is crucial to his theory of the constitution of the self.

According to Smith's historical account, commercial society destroys the communitarian structures of feudal society and thereby admits less social control. He thinks that commercial society, instead of limiting the 'good office' of individuals within a tribe or a clan, frees them from communitarian structures and enlarges thereby their relative scope for freedom of action, despite all the forms of alienation deriving from the structure of the division of labour. Due to this historical-social development, commercial society enables individuals to meet one another, at least in their everyday life, as particular individuals, instead of as members of this or that tribe or clan. In other words, as opposed to all earlier social formations, commercial society brings to individuals more anonymity, more tolerance and indulgence and therefore also more variety in their social relations.[246] In short, in relation to all earlier social formations, commercial society sets individuals in a position where

[246] Cf. For example TMS VI.ii.1.13.

they can develop a more enriched internal capacity of sympathy, which is, according to Smith, so essential to their understanding of one another.

Smith discusses all these considerations particularly in two paragraphs in TMS, where he justifies commercial society in a comparison with 'rude and barbarous nations' and where he brings together all these considerations. As I think that no one can describe Smith's justification of commercial society better than Smith himself, and in order to remain as authentic as possible, I will quote these two paragraphs almost in their whole length.

> 'Among civilized nations, the virtues which are founded upon humanity, are more cultivated than those which are founded upon self-denial and the command of the passions. Among rude and barbarous nations, it is quite otherwise, the virtues of self-denial are more cultivated than those of humanity. The general security and happiness which prevail in ages of civility and politeness, afford little exercise to the contempt of danger, to patience in enduring labour, hunger, and pain. Poverty may easily be avoided, and the contempt of it therefore almost ceases to be a virtue. The abstinence from pleasure becomes less necessary, and the mind is more at liberty to unbend itself, and to indulge its natural inclinations in all those particular respects.'[247]

Smith continues his observation in next paragraph.

> 'Among savages and barbarians it is quite otherwise. Every savage undergoes a sort of Spartan discipline, and by the necessity of his situation is inured to every sort of hardship. He is in continual danger: he is often exposed to the greatest extremities of hunger, and frequently dies of pure want. His circumstances not only habituate him to every sort of distress, but teach him to give way to none of the passions which that distress is apt to excite. He can expect from his countrymen no sympathy or indulgence for such weakness. Before we can feel much for others, we must in some measure be at ease ourselves. If our own misery pinches us very severely, we have no leisure to attend to that of our neighbour: and

[247] TMS V.2.8.

> all savages are too much occupied with their own wants and necessities, to give much attention to those of another person. A savage, therefore, whatever be the nature of his distress, expects no sympathy from those about him, and disdains, upon that account, to expose himself, by allowing the least weakness to escape him. His passions, how furious and violent soever, are never permitted to disturb the serenity of his countenance or the composure of his conduct and behaviour. The savages in North America, we are told, assume upon all occasions the greatest indifference, and would think themselves degraded if they should ever appear in any respect to be overcome, either by love, or grief, or resentment. Their magnanimity and self-command, in this respect, are almost beyond the conception of Europeans.'[248]

I think that these considerations of Smith's do not need further comments. They can be applied in different ways to all Smith's analogies between commercial society and any other social formation before it. There are, however, two points in these considerations which seem to be important for further development of his thought and may therefore need some explanations. The first concerns the nature of Smith's hierarchical comparison; the second refers to Smith's criticism of commercial society. Smith's criticism is closely related to his utopia which I will be working out later on. Let us therefore first see in what sense Smith uses his historical hierarchical analogy and then move on to his criticism of commercial society.

In his historical comparison, when Smith puts commercial society on higher footing in the historical development of society, he does not do this in a racist sense, as was commonly done, even by many philosophers of the European Enlightenment such as Hume and Kant, for example. Smith does not think that the mere chance of living in an advanced stage of society gives us the right to discriminate against human beings who lived or contemporarily live in societies in lower stages of

[248] TMS V.2.9.

historical development. Because of this consideration, he does, however, not go to the other extreme and disregard historical hierarchical difference, as some do in antiracist movements. Without going to either extreme they must, according to Smith's view, be regarded as natural in accordance with the historical, natural and social circumstances from which they arise.

However, his historical hierarchical analogy between different social formations should therefore not be understood in a racist sense. He asserts for example:

> '[s]ome of the savage nations in North-America tie four boards round the heads of their children, and thus squeeze them, while the bones are tender and gristly, into a form that is almost perfectly square. Europeans are astonished at the absurd barbarity of this practice, to which some missionaries have imputed the singular stupidity of those nations among whom it prevails. But when they condemn those savages, they do not reflect that the ladies in Europe had, till within these very few years, been endeavouring, for near a century past, to squeeze the beautiful roundness of their natural shape into a square from the same kind. And that, notwithstanding the many distortions and diseases which this practice was known to occasion, custom had rendered it agreeable among some of the most civilized nations which, perhaps, the world ever beheld.'[249]

As I have pointed out, Smith's justification of commercial society is not an unconditional one. The fact that he justifies commercial society does not mean that he is not critical. Many of his critical analyses of the workings of commercial society are still very illuminating. However, his concept of critique on the basis of which he operates is from a historical point of view an entirely new one. At least in the tradition of social and political theory in the 18th century critique seems to have meant to develop a sort of utopia. This concept of critique, originating from Plato's

[249] TMS V.1.8.

Republic, operates on the basis of a sharp distinction between *is* and *ought* as may be observed in the works of Thomas More and James Harrington, for example. As opposed to this tradition Smith endeavours to utilise a concept of critique which may be described as an immanent critique. That is to suggest that he endeavours to unify within his concept of critique the concepts of *is* and *ought.* Let us now turn to his critique of commercial society.

Part IV: Smith's critique of commercial society and his utopia

1. Smith's critique of commercial society

I have outlined above, *first*, Smith's theory of social individuality as it is developed in TMS. I have then, secondly, presented his account of the situation of individuals in the age of commerce as it is given in WN. As I have shown above in my preliminary conclusions, there is an essential contradiction between his theory of social individuality and his account of the situation of the self in commercial society. For, when we turned to his account of the situation of the self in commercial society, we had to assert that both at the market level as well as in the sphere of production there are no sympathetic relations; instead of sympathetic relations there prevail the principles of utility and nihilism, power relations and permanent class struggles. We have seen that there is no external impartiality and consequently that there is no internal impartiality, without which according to Smith there cannot be any general morality with a sort of binding character.

Now, we have to turn to the question whether Smith formulates any critique of commercial society? When I worked out Smith's theory of social individuality I mainly concentrated on TMS and when I worked out his account of the situation of the self in commercial society I mainly relied on WN. When I now come to work out his critique of commercial society I am going to bring together these major works.

In the following I am going to suggest that Smith does not only analyse social relations in commercial society and justify them as against feudal aristocracy, but that he develops also a kind of critique which may be described as an early attempt at immanent critique. If Smith had remained merely descriptive and justificatory in his analysis, we might have been entitled to claim that the Adam Smith Problem was a conceptual problem of Smith's rather than a real problem being reflected in Smith's work. We would have been able to assert that *on the one hand* he develops a theory of social individuality *and on the other hand* without any relation to this he describes and justifies social relations in commercial society, but that he does not develop any solution to this dichotomy between his theory of social individuality and the problems which undermine it. However, Smith clearly formulates, in almost all respects a critique of commercial society, which serves at the same time as a kind of loose framework for his utopia.

It is usually said that Smith advocated free market trade almost without any reservation. Therefore, to many it may be surprising when I suggest that there is a critique of commercial society in Smith's work. However, Smith's critique should not be surprising, as it has its foundations in his epistemological theory. As I have pointed out above Smith employs an epistemological theory that I call 'critical Common-Sense realism'. His epistemological theory serves as an underlying principle in his account of ethics in TMS as well as in his account of commercial society in WN. Therefore, before I come to work out Smith's critique, I may need to highlight some of the main features of his epistemological theory and then show how this epistemological theory serves in his critique of commercial society.

1. 1 Smith's critical Common-Sense realism as epistemological basis of his critique of commercial society

It is sometimes claimed that 'Smith did not entertain realistic epistemological views'.[250] However, despite all the differences in their account of epistemological theory, a realist approach to epistemological questions is fundamental to all Scottish Common-Sense philosophers. Smith's Common-Sense philosophy, for example, can be said to have been founded ontologically, whereas that of Reid remains within the boundaries of pure or contemplative epistemological theory. Nonetheless, their common sense philosophy explores a realist approach to epistemological questions.

This has a long-standing tradition in Scotland, as George Davie worked out. In the Scottish Enlightenment, at least in its classical period, we do not find any idealist philosophical approach - at least in its pure forms as it was developed in classical German philosophy, for example. Davie explains the fact that idealist philosophy could not flourish in Scotland by referring to the existential questions with which Scotland was faced in the 18th century – particularly after the union with England in 1707. Scottish philosophers were forced to answer these existential questions based on realistic philosophy rather than on some metaphysical idealist speculations. Davie asserts, therefore, that whereas '[e]lsewhere enamoured of abstractions and oversimplifications, the philosophy of *les lumières* was able to impinge on Calvinist

[250] Lindgren (1969), p. 899.

Scotland only by dint of redrafting its whole intellectual programme in a realistic version which would do justice to the complexities of human situation'.[251]

Smith's epistemological approach may more accurately be described as a materialist approach. This materialist approach is the epistemological principle which Smith assesses as the best. He makes it therefore the foundation of his epistemological theory. Smith refers, for example, to the doctrine of the 'impenetrability of matter'[252] and suggests that this 'doctrine ... is as old as Leucippus, Democritus, and Epicurus, was in the last century revived by Gassendi, and has since been adopted by Newton and the far greater part of his followers. It may at present be considered as the established system, or as the system that is most in fashion, and most approved of by the greater part of the philosophers of Europe.'[253] Then he points out that '[t]hough it has been opposed by *several puzzling* arguments, drawn from that species of metaphysics which confounds every thing and explains nothing, it seems upon the whole to be the most simple, the most distinct, and the most comprehensible account that has yet been given of the phenomena which are meant to be explained by it.'[254]

Smith seems to be so convinced of the objectivity of the principles of materialism that he regards it as unnecessary to develop any detailed argument. He declares merely: 'I shall only observe, that whatever system may be adopted concerning the hardness or softness, the fluidity or solidity, the compressibility or incompressibility, of the resting substance, the certainty of our distinct sense and

[251] Davie (1994), pp. 1-2.
[252] External Senses, in: EPS, p. 140, §17.
[253] External Senses, in: EPS, p. 140, §18.
[254] External Senses, in: EPS, p. 140, §18 (italics added).

feeling of its Externality, or of its entire independency upon the organ which perceives it, or by which we perceive it, cannot in the smallest degree be affected by any such systems.'[255]

However, this materialist approach of Smith's should not be interpreted in the sense of mechanical materialism or positivism as it is formulated by Hobbes and many French materialists. Generally speaking, we may characterise the mechanical materialist approach to epistemological questions by pointing out that it regards sense perception and experience as the only sources of our knowledge. However, Smith does not regard these as the only source of our knowledge; he also refers to reason. Therefore, he speaks of 'reason and experience'[256] as the sources of knowledge. This, as I shall now briefly show, is one of Smith's achievements in the 18th century: to overcome the mathematical-mechanical worldview of his time and adopt a kind of critical materialist theory of epistemology.

In his brilliant essay on the *History of Astronomy,* for example, he formulates in a Leibnizian manner a criticism of the mathematical-mechanical view of his time, which is very illuminating even for our own time. 'It rarely happens', Smith assesses, 'that nature can be mathematically exact with regard to the figure of the objects she produces, which must conspire to the production of each of her effects. No two Planets, no two animals of the same figure, nor is that of any one of them perfectly regular. It was in vain', Smith concludes, 'therefore, that astronomers laboured to find that perfect constancy and regularity in the motions of the heavenly bodies,

[255] External Senses, in: EPS, p. 140, §18.
[256] History of Astronomy, in: EPS, p. 83.

which is to be found in no other parts of nature.'[257] He seems to suggest that Descartes had already formulated this criticism of the mathematical-mechanical view. However, this seems to be a rather generous interpretation of Descartes' worldview. Descartes' worldview was a mathematical-mechanical worldview. He puts even the truth of mathematics on the same footing as "divine truth", applying the former to extra-mental objects, and the latter to mental objects. He suggests for example: 'although all that I concluded in the preceding Meditations were found to be false, the existence of God would pass with me as at least as certain as I have ever held the truths of mathematics (which concern only numbers and figures) to be.'[258] Therefore, Smith's criticism of the mathematical-mechanical worldview should also be read as a criticism of Descartes' worldview.

For example, Smith discusses in his Lectures on Rhetoric, in lectures 7-10, 'some of the best English Prose writers'[259] and makes 'comparisons betwixt their different manners'. He asserts then that '[t]he Result of all which as well as the rules we have laid down is, that the perfection of stile consists in Expressing in the most concise, proper and precise manner the thought of the author, and that in the manner which best conveys the sentiment, passion or affection with which it affects or he pretends it does affect him and which he designs to communicate to his reader.'[260] Then he makes explicit his methodological approach: '[t]his you'll say is no more than *common sense*, and indeed it is no more. But if you'll attend to it all the Rules of Criticism and morality when traced to their foundation, turn out to be some

[257] History of Astronomy, in: EPS, p. 96.
[258] Cf. Descartes (1997), pp. 171-172.
[259] LRBL, lecture 11, p. 55.
[260] LRBL, lecture 11, p. 55.

Principles of Common Sense which every one assents to; all the business of those arts is to apply these Rules to the different subjects and shew what their conclusion is when they are so applyed.'[261] These rules which Smith refers to are not pomposity but simplicity and plainness, not abstract speculation but non-agnostic critical realism.

Smith refers to Swift as being one of his favourite writers because he paid very little attention to 'abstract and Speculative reasonings which perhaps tend very little to the bettering of our practice.'[262] Smith then describes Swift's methodological approach as opposed to abstract speculation and reasoning. Swift 'would be more inclined', Smith suggests, 'to prosecute what was immediately beneficial. Accordingly we find that all his writings are adapted to the present time'[263]. This sounds at first sight as if Smith would champion a kind of positivism. But this would be too quick a judgement. Smith continues and points out, in effect that Swift's approach was critical realism, that is to suggest that he has a critical account of *what-is*. Swift prosecuted 'what was immediately beneficial' and therefore his writings were 'adapted to the present time' but in a critical sense as he was either 'ridiculing some prevailing vice or folly or exposing some particular character.'[264]

These are some of the fundamental principles of Smith's epistemology, which I subsume here under the heading of 'critical Common-Sense realism'. It is generally well known and agreed upon that Smith developed his epistemological theory in the

[261] LRBL, lecture 11, p. 55 (italics added).
[262] LRBL, Lecture 8, p. 41.
[263] LRBL, Lecture 8, p. 41.
[264] LRBL, Lecture 8, p. 41; cf. also generally lectures 7-11.

tradition of common sense philosophy of Aristotle and Hutcheson.[265] There are 'two senses of "common sense"' as Richard Gunn points out, which are inseparably inter-related. 'Common sense or in order to use Latin expression *sensus communis* refers, on the one hand, to the internal unity or '"common bond or centre"' of the five external senses, '"in which the various impressions received were reduced to the unity of common consciousness"'. It points, on the other hand, to the external unity or '"the general sense, feeling, or judgement of mankind, or of a community"' as Gunn quotes from the Oxford English Dictionary. It is the 'notion of commonness' that is common to these two meanings.[266]

What does this epistemological approach mean for Smith's account of the social relations in commercial society? It means, briefly, that Smith approaches his subject not only on the basis of the principles of realism in a descriptive sense but he also explores it critically by posing the question of what this analysis means for the internal unity of individuals and for the external unity in their relations to one another. So, for example, when he analyses the division of labour, he is above all concerned about the internal unity, whereas when he analyses the social class structure of commercial society he focuses on the question of how this affects external unity. Let us now see how Smith's epistemological theory serves in his critique of commercial society.

[265] Cf. Davie (1994), p. 47.
[266] Gunn (1991/92), pp. 118/9.

1. 2 Smith's critique of the division of labour

Smith does not analyse the division of labour as based on some natural or biological analogies as may be claimed to be the case with Durkheim's analysis, for example.[267] Unlike Durkheim, Smith analyses it as based on historical-social principles. The main difference between these approaches is that Durkheim's approach is a static one, whereas that of Smith is dynamic one. That is to say that, whereas the former deals with the structure of the division of labour as unchangeable, the latter deals with it as something that undergoes a permanent change. In other words, unlike Durkheim's natural approach Smith can deal with the division of labour critically and account for further development of and changes in the structure of the division of labour. In short, Smith's critical account of the division of labour suggests changes in the horizontal (technical) and vertical (social) structure of the division of labour.

Smith's critique of the situation of the self as affected by the division of labour may be worked out best if is related to his account of the distribution of time (time-structure) in commercial society. As a solution to the alienation arising from the horizontal division of labour as described above Smith proposes a universal education. This education should enable labourers to understand not only their professional world but also the great society of mankind. However, Smith thinks that any educational measure to be taken against the alienation arising from the horizontal division of labour would be undermined by the time-structure. Smith sees a kind of fundamental contradiction in the distribution of time among social classes, which

[267] Cf. Durkheim (1988), pp. 83-117.

faces commercial or market society nowadays more than ever before and whose solution is more urgent than ever before.

> 'The education of the common people requires, perhaps, in a civilized and commercial society, the attention of the public more than that of people of some ranks and fortune. People of some ranks and fortune are generally eighteen or nineteen years of age before they enter upon that particular business, profession, or trade, by which they propose to distinguish themselves in the world.'[268]

Smith continues his observations a few lines further down in the same passage:

> 'The employments too in which people of some rank and fortune spend the greater part of their lives, are not, like those of the common people, simple and uniform. They are almost all of them extremely complicated, and such as exercise the head more than the hands. The understandings of those who are engaged in such employments can seldom grow torpid from the want of exercise. The employments of the people of some rank and fortune, besides, are seldom such as harass them from morning to night.'[269]

Smith then relates these observations to education and justifies more accurately, why he thinks that the education of the common people should be of greater public concern than that of people of some rank and fortune. 'They ['people of some rank and fortune',- DG] generally have a good deal of *leisure*, during which they may perfect themselves in *every branch* either of useful or ornamental knowledge of which they may have laid the foundation, or for which they may have acquired some taste in the earlier part of life.'[270] Therefore, they do not need to confine themselves to one simple object and become consequently stupid and

[268] WN V.i.f.52.
[269] WN V.i.f.52 (italics added).
[270] WN V.i.f.52 (italics added).

ignorant. On the contrary, by their many-sided occupation and education they are put in a position where they can develop themselves in many respects.

But how about the common people, that is, labourers who carry on their 'shoulders the whole of mankind, and unable to sustain the load' are 'buried by the weight of it and thrust down into the lowest parts of the earth, from whence' they support 'all the rest.'[271] 'It is', of course, 'otherwise with the common people', Smith observes. 'They have little time to spare for education. Their parents can scarce afford to maintain them even in infancy. As soon as they are able to work [that is, when they are six, seven or eight years old,- DG], they must apply to some trade by which they can earn their subsistence. That trade too is generally so simple and uniform as to give little exercise to the understanding; while, at the same time, their labour is both so constant and so severe, that it leaves them little leisure and less inclination to apply to, or even to think of any thing else.'[272] In civilized countries, therefore, their 'labour and time is sacrificed to the maintaining the rich in ease and luxury.'[273] However, it is exactly this 'leisure' which common people need in order to enjoy a universal education.

This contradiction in the distribution of time, which Smith describes, based on his observations in the 18th century, continues to exist though it occurs nowadays in a new form because of unemployment. Nowadays, there are, *firstly*, labourers who have hardly any time to develop their intellectual and bodily capacities; *secondly*, labourers who are unemployed, and therefore have spare time to develop their

[271] Lectures Jurisprudence, p. 341.
[272] WN V.i.f.53.
[273] Lectures Jurisprudence, p. 340.

intellectual capacities but lack the material preconditions; and *thirdly*, there are employers who do not work at all but at the same time have material requirements at their disposal and can develop their intellectual and bodily capacities almost without any constrains. Therefore, this contradiction arising from the distribution of time is one of the major challenges to commercial society.[274]

But what should government do to prevent the 'great body of people' falling into exceeding stupidity as they necessarily do in commercial societies throughout Europe? Smith's solution to alienation as a consequence of the horizontal division of labour is education. As George Davie showed[275], Smith and many other philosophers of the Scottish Common-Sense School, meant by education not only professional education, as is meant in contemporary discussions about the changing of the education system for example, but also general or universal education.

According to the complexity or simplicity of their profession, everybody must have the opportunity of a professional education which should enable them to understand, oversee and make judgements about the whole process of their occupation. In other words, professional education aims merely at teaching or providing the knowledge of one particular world, namely that of the profession. However, the world is much broader and more complex than one particular professional world. Therefore, the education which individuals should receive should not only enable them to understand, oversee and make judgements about their own

[274] Michael Argyle formulates this dilemma by his following questions: 'If 10 per cent of the population could satisfy our material needs, as has been estimated, what will the others do? Should there be work-sharing, or a large "leisure class"? Could leisure be made more serious, more like work? Should the informal, unpaid economy be expanded? Should we cease to value work so highly and value leisure more?' (cf. Argyle (1990), p. 6).
[275] Davie (1991), particularly pp. 65/6, 72/3, 74.

particular professional world in which they act, but it should also put them intellectually in a position where they can make judgements about the general affairs of their particular societies and that of the whole world.

In order to explain the relation between professional and universal education, we may refer to a passage from TMS where Smith differentiates between 'profession' and other 'states of life' as the sources of personal character. 'The objects', says Smith, 'with which men in the different professions and states of life are conversant, being very different, and habituating them to very different passions, naturally *form* in them very different characters and manners.'[276] So it should be noted that he introduces the conception of *character,* which involves a number of cognitive and practical processes in different contexts and in different 'states of life' in which labour occupies a central position.

Smith's account of the genesis of character implies a differentiation between labour and other forms of social practices; the former provides the basis of the latter. According to Smith, education should not only enable individuals to understand the particular world of their profession but it should also enable them to understand, oversee and make judgements about the processes of other forms of social praxis; for example with regard to sexual and family life, to the arts and philosophy, to the natural sciences and psychology, to economics and politics and so on. That is to suggest that they should be able to judge not only about their particular professional world but also about their families; not only about their particular societies but also

[276] TMS V.2.4 (italics added).

about the affairs of the 'great society of mankind'[277] in which they are all somehow embedded. In short, professional and universal education should show both the connection of different parts to one another and their relation to the whole.

However, Smith's proposed solution to the problems arising from the division of labour is not restricted to education. Education, that is professional and universal education, may solve the problems of the horizontal or technical division of labour. But it can hardly solve those problems which originate from the vertical division of labour, that is, from social class structure of commercial society. Therefore, had he restricted his considerations to education as the only solution to the problems, we would have had to put him among many other philosophers of the European Enlightenment, who saw in education alone the solution to the problems deriving not only from the horizontal but also from the vertical division of labour.

However, Smith's considerations about the solution to the problems arising from the division of labour go far beyond this classical project of the European Enlightenment, just as his analysis of the consequences of the division of labour goes far beyond its traditional analysis. Of course, Smith was not the first to formulate the idea of the division of labour. At least since classical ancient Greek philosophy the idea of the division of labour has been utilised by many social and political theorists, though they did not use the term. Smith was also not the first to introduce the term into social and political theory. Probably Sir William Petty introduced it. Neither does Smith's uniqueness lie in his analysis of the consequences of the division of

[277] Smith uses this expression many times particularly in TMS in order to describe the whole humanity. (Cf. particularly TMS VI.ii.2.4).

labour, though the comprehensiveness of his analysis exceeds all the analysis done before him. Historically speaking, Smith's uniqueness lies in his suggestion for the solution to the problems deriving from the vertical or hierarchical division of labour. And any serious and impartial analysis of the division of labour must draw conclusions which should point to a solution far beyond education. This necessity derives from the nature of the division of labour and the class structure of commercial society.

As I have pointed out above, in Smith's account, unlike 'the people of some rank and fortune', the 'common people' or the 'labouring poor' not only lack the proper material conditions for a proper education but also lack the necessary leisure because their employments 'harass them from morning to night.'[278] Therefore, Smith, as a philosopher who analyses the time-structure of commercial society founded upon social classes with contradictory interests, cannot restrict his suggestion for the solution to the problems deriving from the division of labour to education. Had he restricted his suggestions to education that would have meant almost a non-solution.

How and when should labourers educate themselves or be educated when they do not have any leisure for education? Any serious and impartial suggestion for solving this problem of the distribution of the time in commercial society must come to some further, that is, to some social and political considerations rather than restricting itself to education. Education may contribute to the establishment of internal impartiality but hardly to external impartiality. In the 1960s and 1970s

[278] WN V.i.f.52 (italics added).

throughout Europe, for example, there was a tendency towards the opening of education systems to all members of society without any regard to their social background. One of the expectations of this education policy was to overcome the class structure of society. However, in his empirical comparative study Max Koch, as astonishing and paradoxical as it may sound, found that this policy has deepened the contradictions between social classes rather than reducing them.[279]

Therefore, any serious solution to the problem of the distribution of time must develop suggestions about the redistribution of time by redistributing labour and leisure. And this is in fact exactly what Smith seems to have in mind when he considers some possible solutions to the distribution of time in commercial society. He suggests, therefore, that this problem would cease to exist if 'labour was equally proportioned to each'.[280] For, to propose that labour should be distributed equally proportioned to all members means that time also should be distributed equally. And this would challenge the social class structure of commercial society essentially.

1. 3 Smith's critique of the social class structure of commercial society

In TMS, Smith formulates an essential criticism of the class structure of society in a general way (that is, he does not refer thereby to any particular type of social formation), and unlike in WN, his criticism in TMS is more explicit. In WN he limits himself mainly to a critical analysis and definition of the main problems of commercial society and his criticism remains often implicit. From a 21st century

[279] Koch (1994), pp. 121-132.
[280] Lectures Jurisprudence, p. 341.

point of view, this attitude of Smith's may not be easily understandable. In order to understand it, we must bear in mind that he wrote his major works long before the French Revolution. That is, he wrote on commercial society when its social forces were just in the process of coming into power. Therefore, in order to open up the way for a further advance of society, he was primarily interested in the historical justification of commercial society against feudalism. Accordingly, he thinks, or rather recognises the historical necessity, that commercial society should, despite many problems, be justified from a historical point of view, because the main social forces of commercial society were in his view carriers of the further emancipation of humanity.

This is also the reason why Smith suggests, from a historical point of view, that masters and labourers need one another. Masters and labourers need one another in order to overcome feudal society. However, this does not mean that Smith thinks that with the establishment of commercial society the end of history is achieved. His cautious description of the problems does not mean that they do not contain any critique. As I have already shown above, his solution to the problems arising from the vertical structure of the division of labour is in fact an essential critique of the whole class structure of commercial society. However, in order to show how Smith's critique is employed in his analysis of social relations in commercial society, we may approach it from another point of view. In doing so we may demonstrate again how TMS provides a critical 'window' on his account of commercial society in WN. In order to grasp Smith's criticism of commercial society, we must take into account not only *that* he describes the problems but also *how* he describes them. Even most

of his justifications turn out quite often to be an implicit critique if we take into account not only *that* he justifies or defines a problem but also *how* he justifies and defines the problems of commercial society. I would like to illustrate this by pointing out three examples.

Firstly, in TMS Smith defines life as a game, which human beings should play seriously without any regard to loss and gain in order to fulfil themselves. However, when he comes to examine what this game looks like in commercial society, he works it out with regard to the three main social classes in that kind of society: labourers, manufacturer and landlords, the last two of which he subsumes sometime under the term 'masters'.

What this game looks like for labourers Smith exemplifies by means of his nicely chosen boy-example in the first chapter of WN.[281] There he refers to a kind of contradiction between necessity and 'liberty' in the case of labourers, as I noted above. By using his boy-example, Smith points out that labourers must choose either necessity or liberty. If they decide for necessity, which they must, since otherwise they would have nothing to live on, they are condemned to come and go without any name; in this case life means to them not a game by which they could fulfil themselves but one which turns itself into a burden. If they decide for freedom, which they can hardly do, they would have nothing with which to play their games. In either case, the labourers can only lose their game because either, due to their situation, they must sacrifice their freedom in order to exist physically or they must

[281] Cf. WN I.i.8.

decide for freedom and die. In short, they cannot play their game and therefore have nothing to lose.

In the case of masters, though they are not as badly situated as labourers since they can provide themselves with the conveniences of life and therefore enjoy it, their life, however, looks like a game of poker. Masters can, therefore, regard their gain as not a loss and their loss as not a gain. If some of them gain, they ruin others and if they lose they ruin themselves – in either case with disastrous consequences for the whole of society, because they administer the wealth of society as private persons.

Secondly, when Smith deals with quantitative exchange relations in the market, he refers to the contradiction between what he calls 'value in use' and 'value in exchange'. 'The things', he asserts aptly, 'which have the greatest value in use have frequently little or no value in exchange; and, on the contrary, those which have the greatest value in exchange have frequently little or no value in use.'[282] The problem Smith outlines here may be clearer if we refer to the difference between the paradigms of these two forms of value. The production of 'value in use' derives from an entirely different paradigm than the production of 'value in exchange'. The former aims above all at the satisfaction of needs, and this is according to Smith the main aim of production, whereas the paradigm of the latter, which is in the foreground in commercial society, aims merely at the accumulation of capital without any regard to the satisfaction of needs. Smith seems to be very well aware of the fact that the analysis of the cause and the solution to this 'paradox of value', as it is called

[282] WN I.iv.13.

nowadays, may also provide a solution to the problem of power relations arising from quantitative exchange relations. This may also provide a solution to the problems with regard to the fulfilment of the self as I have just been describing above, because the solution of this 'paradox of value' would bring the principle of the satisfaction of needs to the foreground and give it full validity.

Thirdly, throughout WN Smith defines the permanent advance of society as being in the general interest of society. He discusses then this general interest with regard to the particular interests of different social classes in commercial society.

> 'It deserves to be remarked, perhaps, that it is in the state, while society is advancing to the further acquisition, rather than when it has acquired its full complement of riches, that the condition of the labouring poor, of the great body of the people, seems to be the happiest and the most comfortable. It is hard in the stationary, and miserable in the declining state. The progressive state is in reality the chearful and the hearty state to all the different orders of the society. The stationary is dull; the declining, melancholy.'[283]

Though he asserts in this passage that all 'different orders of the society' must have an interest in the progressive state of society, he points nonetheless to 'the labouring poor' as the only class which must have a particular interest in the further advance of society.

Smith comes back to these issues in the concluding part of chapter 11 of WN. He works out the particular interest of each social class in relation to the general interest of society. I would like to quote from there three paragraphs in their whole length, not only because they are badly neglected in controversial debates on his

[283] WN I.viii.43.

work, particularly with regard to the question whether his conception of impartiality plays any role in WN, but also because if they are read one after another they illustrate nicely the form of critique of commercial society which Smith employs in WN.

First, with regard to the interests of the landlords in relation to the general interests of society, Smith observes that

> '[t]he interest of the first of those three great orders (...) is strictly and inseparably connected with the general interest of the society. Whatever either promotes or obstructs the one, necessarily promotes or obstructs the other. When the publick deliberates concerning any regulation of commerce or police, the proprietors of land never can mislead it, with a view to promote the interest of their own particular order; at least, if they have any tolerable knowledge of that interest.'[284]

However, the class of landlords in commercial society is the only one of the social classes which is not productive, that is, which does contribute anything to the wealth of the society. This makes them also quite often not only ignorant of their own interests but particularly of the general interest of the society.

> 'They are indeed, too often defective in this tolerable knowledge. They are the one of the three orders whose revenue costs them neither labour nor care, but comes to them, as it were, of its own accord, and independent of any plan or project of their own. That indolence, which is the natural effect of the ease and security of their situation, renders them too often, not only ignorant, but incapable of that application of mind which is necessary in order to foresee and understand the consequences of any publick regulation.'[285]

[284] WN I.xi.p.8.
[285] WN I.xi.p.8.

Second, with regard to the particular interest of the labourers in relation to the general interest of society, Smith asserts that

> '[t]he interest of the second order, that of those who live by wages, is as strictly connected with the interest of the society as that of the first. The wages of the labourer (...) are never so high as when the demand for labour is continually rising, or when the quantity employed is very year increasing considerably. When this real wealth of the society becomes stationary, his wages are soon reduced to what is barely enough to enable him to bring up a family, or to continue the race of labourers. When the society declines, they fall even below this. The order of proprietors may, perhaps, gain more by the prosperity of the society than that of labourers: but there is no order that suffers so cruelly from its decline. But though the interest of the labourer is strictly connected with that of the society, he is incapable either of comprehending that interest, or of understanding its connection with his own. His condition leaves him no time to receive the necessary information, and his education and habits are commonly such as to render him unfit to judge even though he was fully informed. In the publick deliberations, therefore, his voice is little heard and less regarded, except upon some particular occasions, when his clamour is animated, set on, and supported by his employers, not for his, but their own particular purposes.'[286]

Third, with regard to the particular interest of capitalists in relation to the general interest of the society, Smith suggests that the

> '...employers constitute the third order, that of those who live by profit. It is the stock that is employed for the sake of profit, which puts into motion the greater part of the useful labour of ever society. The plans and projects of the employers of stock regulate and direct all the most important operations of labour, and profit is the end proposed by all those plans and projects. But the rate of profit does not, like rent and wages, rise with the prosperity, and fall with the declension of the society. On the contrary, it is naturally low in rich, and high in poor countries, and it is always highest in the countries which are going fastest to ruin. The

[286] WN I.xi.p.9.

> interest of this third order, therefore, has not the same connection with the general interest of the society as that of the other two.' [287]

Further down in the same paragraph Smith observes then that

> '[t]he proposal of any law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men, whose interest is never exactly the same with that of the publick, who have generally an interest to deceive and even to oppress the publick, and who accordingly have, upon many occasions, both deceived and oppressed it.'[288]

All those who claim that Smith's conception of impartiality does not play any role in WN should read these paragraphs very carefully. The 'general interest of society' Smith refers to is just another expression for impartiality since it is the general point of view and according to Smith it is the only point of view on the basis of which we can make impartial judgements. He uses, for example, the same term in TMS many times in the sense of impartiality.[289] Though a discussion of this use of the term may contribute to the clarification of his use in WN, it would, however, require a very extensive discussion since he uses it in the context of his theory of punishment. What seems to be more useful in this context is his definition of the impartial spectator. He defines the impartial spectator sometimes as a 'man in general'[290] or sometimes as 'representative of mankind'[291]. As I have shown in the second part of the thesis the impartial spectator can make impartial judgments because he represents, according to Smith, the general interests of society or

---

[287] WN I.xi.p.10.
[288] WN I.xi.p.10.
[289] Cf. TMS II.ii.3.7; TMS II.ii.3.10; TMS II.ii.3.11.
[290] TMS III.2.31.
[291] TMS III.2.32.

humanity. Therefore, we may be able to claim that his use of the term 'general interests of society' is just another expression for impartiality.

What is revealed by Smith's account of the particular interests of each social class in relation to the general interest of society? Taken as a whole, in these paragraphs Smith seems to suggest that there is only one social class, that of the labourers, whose interests never conflict with the general interests of society. At first sight, Smith appears to make the same observation also with regard to landlords. But then he seems to suggest that they do not understand anything of the general affairs of society. They suffer from the lack of knowledge of general affairs - not because they lack the material conditions and leisure to educate themselves and receive the necessary information, as happens in the case of working class, but because they constitute an idle class. To the class of manufacturers he refers as the only social class whose interests almost always conflict with the general interest of society. He seems even to suggest that their interests can only be fulfilled in opposition to the general interests of society and therefore they profit not from the progress of society but from the decline of it. The only social class, therefore, whose interests hardly ever run against the general interest of society, is that of labourers. However, labourers are neither in a position to comprehend the general interest of society nor are they capable of understanding the close connection between their interest and that of society – not because they constitute an idle class, as is the case with landlords, but because their social conditions do not allow them 'to receive the necessary information'. Even if they should have sufficient spare time to receive the necessary information, their 'education and habits are commonly such as to render' them 'unfit

to judge' even if they were 'fully informed.' If we approach what has been said above about Smith's conception of education from this point of view, then it appears in an entirely new and revolutionary light.

1. 4 Trust and free communication as the sign of an open society

We can approach Smith's critique of commercial society also from the point of view of his theory of communicative action. When Smith deals with questions arising from commercial exchange-relations and from relations originating from the horizontal and vertical division of labour, that is, from the technical and social division of labour, he operates with two models of society which are contrary to each other. The one is a harmonious and open society, in which everybody is potentially entitled to access to all spheres of society. The other is of a society fragmented by a contradiction of interests. It is, therefore, closed and restricts everybody throughout their lives to only certain spheres of social life. The former is based on trust and open communication, whereas the latter is based on distrust and restricted communication or even, more probably, manipulation.

A harmonious and open society without fragmentation can form our emotional and intellectual dispositions in a different way from a closed one. Under the conditions of an open and harmonious society, for example, the general intellectual and bodily capacities of man can be formed in a way such that the agent can act spontaneously, i.e. without any long and deep considerations, on the basis of the principle of impartiality, spontaneously taking both general and particular interests

into account. In a fragmented, and therefore closed, society in which the agent is embedded, his durable intellectual and emotional dispositions will be formed partially, so that the agent can act only from a partial point of view, being unable to take into account the general point of view.

Let us for example refer back to Smith's conception of situation. As I have suggested earlier[292] Smith's conception of situation consists of three complementary elements: general, concrete and actual. According to Smith's account agents are always, in all situations of communicative action, embedded in this three-dimensional situation, both in an open and in a closed society. However, in an open society, we can easily imagine that there is a social world that is much broader than our concrete or actual situation. We can imagine the whole, either because of our experiences in different spheres of social life, or due to the universal education that we have enjoyed. Even when we are embedded in a concrete situation, we have enough knowledge to able to enter into all other spheres without any immoveable restrictions or barriers. We can receive information about their functioning and we can trust and rely on this. Therefore, if we are involved in an interaction with individuals from other spheres of social life, we do not need to hide our feelings, emotions and internal considerations. As there is a 'mutual sympathy', we do not need to submit ourselves to self-censure; we can reveal our internal world, our intimacy, without any fear; we do not need to be afraid of being abused because we trusted blindly and revealed ourselves without any reason.

[292] Reference to situation....

Smith points, therefore, to 'trust' and 'free communication' as the main features of an open society. If we can trust, he says, '[w]e see clearly (...) the road by which' our partner in conversation 'means to conduct us, and we abandon ourselves with pleasure to his guidance and direction.'[293] 'We all' Smith continues, 'desire, upon this account, to feel how each other is affected, to penetrate into each other's bosom, and to observe the sentiments and affections which really subsist there.'[294] In an open conversation, Smith adds: '[t]he man who indulges us in this natural passion, who invites us into his heart, who, as it were, sets open the gates of his breast to us, seems to exercise a species of hospitality more delightful than any other. No man, who is in ordinary good temper, can fail of pleasing, if he has the courage to utter his real sentiments as he feels them, and because he feels them. It is this unreserved sincerity which renders even the prattle of a child agreeable.'[295]

In a closed society, by contrast, even though we know that there is a much broader world than our own, we cannot involve it in our considerations as our world, because we know that we are excluded from it; we cannot care about it as we know that we are not a part of it, as we know that we cannot trust it. We must check all information many times before we can trust it. 'Reserve and concealment, on the contrary, call forth diffidence. We are afraid to follow the man who is we do not know where.'[296] Therefore, if we necessarily get involved in interaction with individuals from different spheres, we cannot easily reveal ourselves. We must remain formal, purely rational, in its negative sense, and distanced.

---

[293] TMS VII.iv.28.
[294] TMS VII.iv.28.
[295] TMS VII.iv.28.
[296] TMS VII.iv.28.

This distance is not the distance which we must also have in an open society. In an open society, too, we must maintain a distance from the objects we aim at, in order to avoid being dominated by them. Otherwise, our passions can turn themselves into addictions, with the consequence that we may lose our freedom in relation to them.[297] Even in our relation to other people, we must keep a distance in order to reflect about what they express in their actions. Interest or concern should always be accompanied by distance. However, this distance is not uninterested or unconcerned or uninvolved. By contrast the distance that we must keep in a closed society is accompanied by distrust. In a closed society, therefore, all social relations may become instrumental and utilitarian. It is not the happiness of others which interests us, but our own. In such situations, we must suppress all our feelings, our emotions, almost everything that involves intimacy. The voice we hear is purely rational. We cannot gather from it any trusting feeling or emotion. Therefore, we are suspicious and cannot trust it.

Of course, Smith knew that in reality, an ideal society cannot occur in this pure sense as is described in the model, nor can a society established on the basis of the principle of utility penetrate into all social relations. Smith uses this comparison in order to demonstrate to us the difference between what we experience in commercial society and what might come if society were developed further. Even in the most harmonious society, there will always be conflicts, and in a utilitarian or closed society, though the principles of utility remains at the core of social relations,

[297] Cf. Plessner (1983), p. 71.

suppressing the impartial spectator, there will nonetheless always be social relations which must go beyond the principles of utility, because the nature of man requires it.

In other words, to establish a harmonious society would not make Smith's conception of the impartial spectator as a device redundant. In both an open and a closed society, we must listen to our conscience in order to keep a certain distance from the objects we aim at, so that we can retain our freedom in relation to them. In addition, in order to acquire in our cognitive action the view of the whole, which we must have as Husserl has shown, we must appeal to our conscience; otherwise we may be misled in our judgements, decisions and actions. However, in a closed society, we need to listen to our conscience above all for consciously-established, open and non-utilitarian social relations. Therefore, Smith's conception of the impartial spectator or conscience is not an "ideal utopia" projected into the future. It is already embedded in the present society. But, in order to bring it to full validity, there must be established a harmonious and open society based on the principles of impartiality, trust and free communication. In this way, whatever sphere or social relation they feel themselves at home and among friends in, all the capacities of human beings can flourish without any constraint alien to their nature. This is the principle that serves as the foundation of Smith's utopia.

1. 5 Smith's critique of the structure of recognition in commercial society

What is the end of human life, what is the 'great purpose of human life which we call bettering our conditions?', Smith asks when he formulates his essential

criticism of the class structure of commercial society. In all of our life, he seems to respond, everything that we do aims at mutual recognition. The first scholar to recognise this seems to have been Mary Wollstonecraft, who endeavoured to apply this principle also to gender issues.[298] According to Smith, in all our projects and actions we aim at mutual recognition: '[t]o be observed, to be attended to, to be taken notice of with sympathy, complacency, and approbation...'[299], this is the real end of all our life. 'For to what purpose is all the toil, and bustle of this world? What is the end of avarice and ambition, of the pursuit of wealth, or power, and preheminence? Is it to supply the necessities of nature? The wages of the meanest labourer can supply them.'[300]

However, for the 'great body of the people' the principle of recognition is undermined by the very fact of social class relations in commercial society, that is, by the division of society into the 'poor' and the 'rich'. It is also, according to Smith, exactly this division of society into social classes which brings about the dualism between the 'impartial spectator without' and the 'impartial spectator within'. The public, or the impartial spectator without, is misled by the very appearance of wealth of the 'man of rank and distinction' and thinks as if the mere acquisition of wealth was the only means of recognition, whereas the impartial spectator within looks for some much deeper principles which should be laid down as the principle of recognition. For

> '[i]f we examine, (...) why the spectator distinguishes with such admiration the condition of the rich and the great, we shall find that it is

[298] Cf. Wollstonecraft (1999), pp. 127-129.
[299] TMS I.iii.2.1.
[300] TMS I.iii.2.1.

> not so much upon account of the superior ease or pleasure which they are supposed to enjoy, as of the numberless artificial and elegant contrivances for promoting this ease or pleasure. He does not even imagine that they are really happier that other people: but he imagines that they possess more means of happiness. And it is the ingenious and artful adjustment of those means to the end for which they were intended, that is the principal source of his admiration.'[301]

However, this is not visible to the public eye at first sight. The public is quite often deceived by the very appearance, or by the 'blinding work', of wealth, to use one of Kant's nice expressions. Therefore,

> '[t]he man of rank and distinction, (...), is observed by all the world. Every body is eager to look at him, and conceive, at least by sympathy, that joy and exultation with which his circumstances naturally inspire him. His actions are the objects of the public care. Scarce any word, scarce a gesture, can fall from him that is altogether neglected. In a great assembly he is the person upon whom all direct their eyes; it is upon him that their passions seem all to wait with expectation, in order to receive that movement and direction which he shall impress upon them; and if his behaviour is not altogether absurd, he has, every moment, an opportunity of interesting mankind, and rendering himself the object of the observation and fellow-feeling of every body about him.'[302]

As a result of this:

> '[t]he rich man glories in his riches, because he feels that they naturally draw upon him the attention of the world, and that mankind are disposed to along with him in all those agreeable emotions with which the advantages of his situation so readily inspire him. At the thought of this, his heart seems to swell and dilate itself within him, and he is fonder of his wealth, upon this account, than for all the other advantages it procures him.'[303]

---

[301] TMS IV.i.8.
[302] TMS I.iii.2.1.
[303] TMS I.iii.2.1.

But how about the poor men, 'the great body of people'?

> 'The poor man, on the contrary, is ashamed of his poverty. He feels that it either places him out of the sight of mankind, or, that if they take notice of him, they have, however, scarce any fellow-feeling with the misery and distress which he suffers. He is mortified upon both accounts; for though to be overlooked, and to be disapproved of, are things entirely different, yet as obscurity covers us from the daylight of honour and approbation, to feel that we are taken no notice of, necessarily damps the most *agreeable hope*, and disappoints the *most ardent desire, of human nature*. The poor man goes out and comes in unheeded, and when in the midst of a crowd is in the same obscurity as if shut up in his own hovel. Those humble cares and painful attentions which occupy those in his situation, afford no amusement to the dissipated and the gay. They turn away their eyes from him, or if the extremity of his distress forces them to look at him, it is only to spurn so disagreeable an object from among them. The fortunate and the proud wonder at the insolence of human wretchedness, that it should dare to present itself before them, and with the loathsome aspect of its misery presume to disturb the serenity of their happiness.'[304]

Because of this paradox described above, '[a]ll the innocent blood that was shed in the civil wars, provoked less indignation than the death of Charles I'. And in the face of this paradox, '[a] stranger to human nature, who saw the indifference of men about the misery of their inferiors, and the regret and indignation which they feel for the misfortunes and sufferings of those above them, would be apt to imagine, that pain must be more agonizing, and the convulsions of death more terrible to the persons of higher rank, than to those of meaner stations.'[305] These are some of the consequences for recognition, which Smith draws from his observations about the division of society into social classes.

---

[304] TMS I.iii.2.1 (italics added).
[305] TMS I.iii.2.2.

Now, we can return to the question raised above, namely, whether Smith's work offers any possible solution to these paradoxes with regard to the recognition and the fulfilment of the self in the age of commerce. Against the background of these problems and paradoxes, arising from the class structure of commercial society, Smith formulates a radical problem with which commercial society is faced and which any social and political scientist or theorist should take into account. On the one hand, he asserts that the 'love of distinction [is,- DG] so natural to man'[306] because without any distinction there can hardly be any recognition. On the other hand, he observes that the division of society into social classes is 'the great and most universal cause of the corruption of our moral sentiments'.[307] Putting the problem in this way, that is, to assert, on the one hand, that distinction is so natural to men because it serves as the sole foundation of mutual recognition, and on the other hand, to suggest that the division of society into social classes is 'the great and most universal cause of the corruption of moral sentiments', would require a clear answer to the question of what principle distinction and rank should be based upon, if not on wealth and power. Smith's work gives a clear answer to this question, which has been badly ignored.

I am going to point out three passages in TMS in which Smith discusses explicitly this issue, namely upon which principle should distinction and rank in society be based. In the passages which I draw attention to here he approaches this question from different angles. In one, he seems to suggest that distinction and rank should be based on wealth and power. But, if we examine it more closely, it turns out

[306] TMS IV.i.8.
[307] TMS I.iii.3.1.

to be more or less an explicit formulation of some preconditions for distinction and rank being based on virtue. In the other two passages, he states explicitly that distinction and rank in society should not be based on wealth and power but on intellectual and moral qualities.

The first passage occurs in TMS at a very early stage, namely in TMS I.iii.2.8. There, firstly, he defines recognition as a need of everybody; secondly, he suggests that it is exactly this need of or search for recognition which introduced into the world all these paradoxes and struggles, and he states upon what basis the principle of recognition should rest. In this context, he introduces also his conception of tolerance in the sense that human beings should seek for their recognition but at the same time leave enough space for others so that they can also seek for their recognition. He asserts that:

> '[o]f such mighty importance does it appear to be, in the imaginations of men, to stand in that situation which sets them most in the view of general sympathy and attention. And thus, place, that great object which divides wives of aldermen, is the end of half the labours of human life; and is the cause of all the tumult and bustle, all the rapine and injustice, which avarice and ambition have introduced into this world. People of sense, it is said, indeed despise place; that is, they despise sitting at the head of the table, and are indifferent who it is that is pointed out to the company by that frivolous circumstance, which the smallest advantage is capable of overbalancing. *But rank, distinction pre-eminence, no man despises, unless he is either raised very much above, or sunk very much below, the ordinary standard of human nature;* unless he is either so confirmed in wisdom and real philosophy, as to be satisfied that, while the propriety of his conduct renders him the just object of approbation, it is of little consequence though he be neither attended to, nor approved of; or so habituated to the idea of his own meaness, so sunk in slothful and sottish indifference, as entirely to have forgot the desire, and almost the very wish, for superiority.'[308]

[308] TMS I.iii.2.8 (italics added).

In the second passage, Smith is more explicit about the basis upon which distinction and rank in society should rest. There he suggests that '...to rest their rank in society, not upon their fortune, but upon their character and conduct, are always the most approved of, and never fail to command our highest and most affectionate admiration.'[309]

Let us now turn to the third passage, which initially seems to contradict these statements. In this passage, he confronts the wise and the virtuous, represented by philosophers, with the greatness of the rich. Smith suggests that

> '[t]his fascination, indeed, is so powerful, that the rich and the great are too often preferred to the wise and virtuous. *Nature has wisely judged that the distinction of ranks, the peace and order of society, would rest more securely upon the plain and palpable difference of birth and fortune, than upon the invisible and often uncertain difference of wisdom and virtue. The undistinguishing eyes of the great mob of mankind can well enough perceive the former*: it is with difficulty that the nice discernment of the wise and virtuous can sometimes distinguish the latter. In the order of all those recommendations, the benevolent wisdom of nature is equally evident.'[310]

What is important in this passage is not so much that Smith suggests that the distinction of ranks should rest *upon the plain and palpable difference of birth and fortune* but *how* he justifies this assertion. His assertion is not prescriptive in the sense that he says that society is well-organised if distinction and rank in society are permanently erected on the basis of birth and fortune. Rather, he suggests that it is well organised in this way only because the *undistinguishing eyes of the great mob of mankind can well enough perceive* this plain and palpable difference, whereas they

[309] TMS III.3.18.
[310] TMS VI.ii.1.20 (italics added).

hardly perceive the difference of wisdom and virtue, which should according to Smith be the real foundation of distinction and rank in society. In this passage, Smith seems to be rather sceptical as to whether distinction and rank in society can be founded upon wisdom and virtue. However, his scepticism is not formulated on the basis of a general principle of scepticism. Rather, he thinks that society should be organised in this way because, at present the great mob of mankind does not perceive wisdom and virtue as the real foundation of distinction and ranks in society.

However, his justification of this statement refers to an education problem. If 'the great mob of mankind' is educated universally as Smith suggests within his theory of education, then it may well perceive the difference between the 'blinding work' of greatness based on birth and fortune and the sobering effect of wisdom and virtue. Therefore, this last statement of Smith's does not contradict his former two statements. Consequently, we can now assert that, according to Smith, the real foundation of distinction and rank, that is, the foundation of recognition in society, should be based on the principle of wisdom and virtue rather than on birth, fortune, wealth and power.

In short, Smith suggests that a society which can be erected in accordance with the need for mutual love, mutual sympathy and mutual recognition can hardly be established on the basis of social or economic privilege, but can only be erected on the basis of the principle of the ethics of mutual recognition. However, this should not be understood in the sense that some individuals should be privileged socially and/or formally in moral issues. In all these issues, according to Smith's view, all individuals can be, and in fact are in their everyday life in all inter-subjective

situations of communicative action, morally distinct from one another. When Smith suggests that distinction and rank should be established based on moral capacities and character, he seems to mean that it should be left to individuals to determine whom they choose as their impartial spectator or impartial spectators. That is to suggest that some individuals may be accepted by some other individuals as morally distinct, but not by others, and so on. This is, I think, the framework for his utopia, or his theory that society should be established upon the principle of mutual recognition.

2. Smith's utopia: society as an open and progressive system of mutual sympathy

Now, the claim that Smith delineates in his work a certain idea of utopia may astonish many scholars more than the claim that there is a critique of commercial society in Smith's work. This is not only because we usually associate this term with More's book of 1516 entitled *Utopia* and understand by it a kind of visionary description of an ideal society, which does not exist anywhere, as is implied by the term itself, namely "nowhere", but also because Smith seemingly rejects explicitly the possibility of utopia.

The term 'utopia' is usually explained in terms of a visionary social and political system. Obviously, Smith did not develop the idea of a utopia of this kind. However, this does not mean that Smith discarded the concept of utopia as such. For originally utopia was meant to be an essential critique of reality. Had Smith

discarded the concept of utopia, he would have probably ended in positivism. However, without sticking to the traditional conception of utopia, Smith endeavours to rescue its critical intention and give to the conception of utopia a new turn. That is, unlike the traditional conception of utopia that I call here "ideal utopia", Smith employs a kind of utopia in his work, which I would like to describe as a "realistic utopia". In other words, instead of detaching critique from reality, as is common in traditional conceptions of utopia, Smith endeavours to integrate the conception of critique into his account of reality, that is, into his account of commercial society. As opposed to the traditional conception of utopia, Smith does not give a detailed description of an ideal society to come. Rather, he prefers to analyse and criticise the existing social relations and deduces thereby a kind of framework for society that may replace the existing social formation.

In other words, with Smith's work there begins a new era in the history of European utopian thought. This is probably one of the reasons why his utopia is hardly taken notice of. In his work Smith neither outlines a paradisaical world to come after this life, as in religious books; nor does he develop, in the face of the contradictions in society, a utopian *New World* like Thomas More or an *Oceana* like James Harrington, which, unlike religiously-motivated utopias, are to be erected in this world rather than met in a life to come. What is common to all these types of utopian thought is that they, though in different ways, separate *ought* from *is;* indeed they almost forget about the *is* and, in their attempt to show how the contradictions in society may be overcome, paint a kind of detailed picture of a society in the future. I do not mean that they are entirely detached from reality. More, in particular,

contributed a lot to the reformulation of utopia based on the principles of critical realism since Plato. Interestingly enough, his *Utopia* consists of two books. In the first book, he gives a critical account of reality and in the second book he develops his alternative, that is, his utopia of the new world. However, he still detaches *ought* from *is*. Unlike this kind of utopian thought, in his Smith endeavours to integrate *ought* with *is* and thereby to deduce the former from the latter. In other words, Smith develops in his work a new type of utopia, which sets a loose framework rather than giving a detailed description.

Therefore, I am going to suggest, despite the fact that Smith seemingly rejects the possibility of utopia, that he employs in his work a certain type of utopia. That my suggestion is consistent with Smith's overall work can be shown in many ways, as for example, by pointing to his approach to the is-ought dichotomy or to his theory of history. However, because these aspects of Smith's work are rather complicated, they would require more extensive work than can be done in this thesis. So, in order to show that my suggestion is consistent with Smith's overall work, I would like to refer to a less complicated aspect of this, namely the debate about the possibility of establishing a society based on moral principles such as mutual recognition and virtue, that is, to the debate between Smith *on the one hand* and Hume and Mandeville *on the other.*

2. 1 Smith against Hume's and Mandeville's moral scepticism

If we take the term 'utopia' in this Smithian sense as described above, then we can assert that we have been in fact already dealing with Smith's utopia, since by working out his critique of commercial society, I referred to his most essential moral principles, such as mutual sympathy and trust, and to his critique of alienation behind which there lies implicitly his conception of authenticity. These are some of the most important aspects of his ethics, which he sometimes describes as essential to virtuous life.

One of the most important aims of Smith's moral philosophy is to show that morality is possible. In a certain sense, he says in fact that morality is actuality – particularly in those relations and actions which takes place beyond commercial exchange relations. However, because of the class structure of commercial society this becomes a kind of potentiality. Therefore, in his moral philosophy, he endeavours to show, *first*, in which sense morality is actuality; *second*, why it becomes potentiality; *third*, what are the preconditions from a historical point of view for morality's becoming actuality; *fourth*, what could and should be done so that it can become actuality, and consequently the foundation of all social relations.

Smith challenges thereby both Hume's sceptical claim about the impossibility that human beings should regard one another as their second selves and Mandeville's claim that a virtuous life is impossible. Both of them claim it is *utopian* to aim to establish a moral society. Hume seems to claim that it is utopian to propose that

morality is possible when based on the principle of mutual sympathy or mutual recognition, and Mandeville claims explicitly that it is utopian to suppose that morality could be possible in the sense of a virtuous life. Both of these claims culminate, from Smith's point of view, in the claim that morality based on sympathetic social relations - and therefore utopia - impossible.

Smith defines the aim of any theory of ethics as endeavouring to 'direct the judgements' of the impartial spectator. This is, according to Smith, 'the great purpose of all systems of morality.'[311] This seems to be a definition of the aim of moral philosophy to which, apart from some radical sceptics, almost all moral philosophers would subscribe. Therefore, there is nothing unique in this definition of Smith's. His uniqueness lies in how he justifies this definition. He asserts, in a Machiavellian manner that his inquiry in TMS should be considered 'not concerning a matter of right [ought,- DG], if I may say so, but concerning a matter of fact [is,- DG].'[312] He points to this maxim in the context of his account of the theory of punishment. However, this maxim seems to be operationalised by Smith not only in TMS but also in his whole work.

This maxim is as much fundamental to Smith's account of ethics as to those of Hume and Mandeville. However, whereas Hume and Mandeville employ a reductive vision of what-is, Smith does not. On the contrary, because of his conviction that what-is is a culmination-point of the past and that it includes potentially almost all essential elements of the future, Smith wants to show that what-is contains

[311] TMS VII.ii.1.47.
[312] TMS II.i.5.10.

necessarily in it already all the elements of its negative potentiality, that is, those elements of what-ought-to-be. Therefore, in his account of ethics, Smith responds to both Hume's and Mandeville's sceptical challenges; their accounts of ethics end up in the claims that morality, that is, utopia is impossible.

Mandeville's main argument, in *The Fable of the Bees or Private Vices, Publick Benefits,* is that there is no distinction between virtue and vice. Mandeville seems to suggest that this distinction does not originate from religion or moral sense but above all from politicians' manipulation.[313] He seems even to claim that the distinction between virtue and vice would hinder the progress of civilisation. Therefore, in the second part of his poem The Grumbling Hive: or, Knaves *turn'd Honest*, which is entitled 'The Moral', he makes a programmatic assertion which serves also as the basis for his account of the distinction between virtue and vice:

> *Then leave Complaints: Fools only strive*
> *To make a Great an Honest Hive*
> *T' enjoy the World's Conveniencies,*
> *Be fam'd in War, yet live in Ease,*
> *Without great Vice, is a vain*
> EUTOPIA *seated in the Brain.*
> *(...)*
> *So Vice is beneficial found,*
> *When it's by Justice lopt and bound;*
> *Nay, where the People would be great,*
> *As necessary to the State,*
> *As Hunger is to make 'em eat.*
> *Bare Virtue can't make Nations live*
> *In Splendor; they, that would revive*
> *A Golden Age, must be as free,*
> *For Acrons, as for Honesty.'*[314]

[313] Mandeville (1988), pp. 46-47 & 51.
[314] Cf. Mandeville (1988), pp. 36-37.

Therefore, if we follow Mandeville, we must accept that a virtuous life without vices is impossible.

In his discussion of the question whether benevolence is possible, Hume formulates the same sceptical challenge to Smith's account of ethics, or, more accurately, to his theory of the mutual constitution of the self. If benevolence were possible, Hume asserts, then everybody would regard one another as his second self. However, as the conception of benevolence is impossible, then it is also not possible that human beings should regard one another as their second selves. In order to justify that the conception of benevolence is impossible and therefore the conception of justice is absolutely necessary to civil or commercial society, Hume describes three possible situations. The third of these is just another version of the second one, so to present Hume's line of thought, we can consider just the first two possible situations.

The first situation is that of the '*abundance* of all *external* conveniences'[315] or external goods and common ownership; the second one is that of the 'want of all common necessaries', 'utmost frugality' and 'pressing emergence'[316]. What is common to these two situations is that the rules of justice would in both cases be no longer valid. In the first situation, the 'virtue of justice would never once have been dreamed of', it would 'never possibly have place in the catalogue of virtues' and

[315] Hume, (1989), p. 183.
[316] Hume, (1989), p. 186.

therefore would be 'totally useless'[317]; whereas in the second situation, because of the 'public war', the 'strict laws of justice are suspended'[318]. What is more important in Hume's discussion for the issue at stake is that he thinks that in the first situation everybody would regard one another as 'a second self to one another'[319], whereas in the second, everybody 'must consult the dictates of self-preservation alone, without concern for those who no longer merit his care and attention.'[320] From these arguments, Hume concludes that, unlike the principle of benevolence, the 'laws' or 'rules of equity or justice' are absolutely necessary.

That in Hume's imagined second situation of the 'war of all against all' almost no one could regard others as his 'second self' seems to be understandable. However, what about the first one? Why does Hume think that it is impossible? In order to show that the first situation of benevolence is impossible, Hume puts forward mainly two arguments. One is a natural law argument and the other may be qualified as an anthropological argument. Both justify, in Hume's view, the belief that the separation between mine and thine is absolutely necessary. 'We are naturally', he says, 'partial to ourselves, and to our friends; but are capable of learning the advantage resulting from a more equitable conduct. Few enjoyments are given us from the open and liberal hand of nature; but by art, labour, and industry, we can extract them in great abundance. Hence the ideas of property become necessary in all civil society: Hence justice derives its usefulness to the public: And hence alone

[317] Hume, (1989), p. 184.
[318] Hume, (1989), p. 186.
[319] Hume, (1989), p. 185.
[320] Hume, (1989), p. 187.

arises its merit and moral obligation.'[321] Therefore benevolence, and consequently the principle of regarding others as one's second selves, that is, morality based on the principle of mutual sympathy, are impossible.

Mandeville's and Hume's sceptical accounts of ethics present, of course, huge challenges to Smith's moral philosophy and more particularly to his theory of mutual constitution as I have presented it in the second part of the thesis, and to his account of the virtuous life. For if it should not be possible for human beings to see themselves as others would or are likely to see them, then the most essential foundation of Smith's moral philosophy would be undermined, since it is exactly this principle upon which his whole system is built. Therefore, his response to Hume's challenge may be seen also as a response to Mandeville's, since it is in exactly this context that he formulates also his account of propriety and virtue (which are in Smith's account, in most cases synonymous).

Smith does not differ much from Hume in his assessment of the oppositional relation between the concepts of benevolence and justice. According to Hume, as well as to Smith, the concepts of benevolence and justice are built upon entirely different principles. Whereas the concept of benevolence is built upon the principle of commonness, that of justice is built upon the separation between mine and thine. They differ, however, in their assessment of whether benevolence is possible. Unlike Hume, Smith's aim in his discussion of the relation between justice and benevolence

[321] Hume, (1989), p. 188.

is to show that benevolence is possible. Smith would even say that it is already real. It may not be real in the sense of actuality but it is real in the sense of potentiality.

What does this mean? In order to answer this question, we must refer back to his account of the situation of individuals in commercial society and in this context to his conception of sympathy.

As I have discussed in the third and fourth parts of the thesis, Smith explores the situation of individuals in two spheres: in the sphere of commercial exchange relations and in the sphere of production. When Smith examines human relations with regard to his conception of sympathy in the sphere of commercial exchange-relations, he concludes that there are no sympathetic relations. *Firstly*, with regard to commercial exchange-relations: in his famous butcher-brewer-baker passage, he asserts that '[w]e address ourselves, not to their humanity [and Smith could have also said: to their sympathetic feeling,- DG] but to their *self-love*, and never talk to them of our own necessities but of their advantages. Nobody but a beggar chuses to depend chiefly upon the *benevolence* of his fellow-citizens.'[322] *Secondly*, with regard to social class relations in the sphere of production: when Smith comes to examine the situation of individuals in the sphere of production, he finds them squeezed into social classes where they do not count as individuals at all.

When Smith analyses the relations of these social classes to one another he asserts that their 'interests are by no means the same' and therefore there are no sympathetic relations. 'The workmen', for example, desire to get as much, the

[322] WN I.ii.2 (italics added).

masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labour.'[323] This is the reason why he refers in TMS to social class relations as 'the great and most universal cause of the corruption of our moral sentiment.'[324]

However, despite all these examinations and assertions, Smith points out that human beings do in fact sympathise with one another. Otherwise, they could hardly understand one another. In order to understand one another, human beings constantly place themselves by means of imagination into the situation of one another and produce as spectators a kind of concord between the original sentiments of the agents and the sympathetic relations which the spectators feel if they place themselves by means of imagination into the situation of the agents.

> 'In order to produce this concord, as nature teaches the spectators to assume the circumstances of the person principally concerned, so she teaches this last in some measure to assume those of the spectators. As they are *continually* placing themselves in his situation, and thence conceiving emotions similar to what he feels; so he is as *constantly* placing himself in theirs, and thence conceiving some degree of that coolness about his own fortune, with which he is sensible that they will view it. As they are *constantly* considering what they themselves would feel, if they actually were the suffers, so he is as *constantly* led to imagine in what manner he would be affected if he was only one of the spectators of his own situation.'[325]

So we find *on the one hand* Smith saying that, whether we examine human relations in the sphere of commercial exchange relations or in the sphere of production, there are no sympathetic relations between human beings. In the sphere

[323] WN I.viii.11.
[324] TMS I.iii.3.1.
[325] TMS I.i.4.8 (italics added).

of commercial exchange relations human beings do not appeal to one another's sympathetic feelings but to their 'self-love' or self-interest, and in the sphere of production there is a permanent war of social classes against one another because of their contradictory interests. *On the other hand* he asserts that they in fact 'constantly' sympathise with one another, otherwise they could hardly talk to and understand one another. Even the smallest conversation would be impossible, if they could not sympathise with one another. In other words, we are confronted here with two entirely opposite assertions by Smith. How can we solve this interpretative dilemma?

In order to do so and to give some kind of structure to Smith's opposing propositions outlined above, we need to refer back to Smith's conception of man. In his work, Smith operates on the basis of a three-dimensional conception of human beings. As the very foundation of his theorising about human nature Smith subsumes human beings under his term 'man'. This is the first aspect of his conception of human beings. The second aspect refers to human beings as members of different social classes, and the third aspect points to human beings as sellers and buyers in the market.

As social and political theorists, if we reflect upon human beings in commercial society we observe them almost always in their three-dimensionality: as human beings as such, as members of this or that social class and as sellers and buyers. All these aspects of human beings as we observe them are actualities. Therefore, without becoming positivist Smith can remain descriptive when he refers

to different aspects of his conception of the human being. When Smith describes human beings, for example, as sympathising with one another constantly, he seems to mean that they sympathise with one another at the very basis of their social relations, which reveal themselves mostly in spontaneous actions. That is to suggest that they sympathise with one another if they do not meet as members of this or that social class or as sellers and buyers but as human beings in non-economic relations. However, if they meet as members of this or that social class or as sellers and buyers, they do not sympathise with one another. So, considered at the very basis of their social relations human beings sympathise with one another constantly, but this cannot be said if we turn to their social relations in commercial society as members of this or that social class or as sellers and buyers in commercial exchange relations. If we observe human relations from market or social class points of view, the principle of sympathy upon which their relations take place becomes almost invisible. It turns itself from actuality into potentiality.

This is the stage at which Smith formulates his ought-propositions, so that the principle of sympathy can become the foundation of all social relations. That is to suggest that the principle of sympathy can become actuality by comprising all social relations whatsoever. However, in order that the principle of sympathy can become actuality, there must take place, from Smith's point of view, some fundamental changes in commercial exchange and social class relations.

In his account of commercial exchange relations, Smith does not differ much from Mandeville; his description of commercial exchange relations is very similar to Mandeville's. However, they differ in their normative assessment of these relations.

Mandeville asserts that '[t]o expect, that others should serve us for nothing, is *unreasonable*; therefore all Commerce, that Men can have together, must be a continual bartering of one thing for another. The Seller, who transfers the Property of Thing, has his own Interest as much at Heart as the Buyer, who purchases that Property'.[326] This normative assessment of commercial exchange relations of Mandeville refers to his utilitarian conception of reciprocity, as explored elsewhere[327], and it recalls immediately Smith's initial paragraph of TMS, in which he formulates a *non*-utilitarian conception of reciprocity.

Of course, like Mandeville, Smith justifies commercial exchange relations. But, as I have been arguing particularly in this fourth part of the thesis, unlike Mandeville's absolute justification, Smith justifies it only from a historical point of view. In the age of commerce, at least in commercial exchange and social class relations, it may indeed be unreasonable to expect that others should serve us without expecting anything from us. But from a normative point of view, that is, if we consider the nature of commercial exchange relations as such, it cannot be claimed that the form of reciprocity which commercial exchange relations imply is reasonable in itself. Therefore, according to Smith, though commercial society may be said to be a further step towards the establishment of a reasonable society, that is, of a society based on the principle of non-utilitarian sympathy, it cannot be said to be reasonable as such. Indeed, he asserts in his *Lectures on Jurisprudence*, in which he seems to have been arguing more openly than in his published works, that '[t]o perform any

[326] Mandeville (1988), vol. 2, p. 349 (italics added).
[327] Mandeville (1988), vol. 1, p. 341.

thing, or to give any thing, without a reward is always generous and noble, but to barter one thing for another is *mean*.'[328]

However, Smith does not formulate a kind of normative critique of social class and commercial exchange relations simply because they go against any form of sympathetic social relations. If he had restricted himself to a normative critique, he would not have remained within the pure what-is, like Hume and Mandeville for example, but he would also not have gone much beyond it. As he seems to think, however, that any critique implies the formulation of some framework within which the problem in question might be solved, he considers two possible frameworks. As he thinks that sympathetic social relations in societies with social classes are a potentiality, and that they can become an actuality if society is further advanced, he considers a kind of ought-framework within which social relations might be re-established based on the principles of sympathy.

In that respect he considers first two historical hypothetical examples: a poor and a rich country with social class distinctions:

> 'In a poor country there can be no great difference betwixt the master and the slave in any respect. They will eat at the same table, work together, and be cloathed in the same manner, and will be alike in every other particular. In a rich country the disproportion betwixt them will make the rich men much more severe (sic) to their slaves than the poor ones. A man of great fortune, a nobleman, is much farther removed from the condition of his servant than a farmer. The farmer generally works along with his servant; they eat together, and are little different. The

[328] Lectures Jurisprudence, p. 527 (italics added); cf. for Smith's mode of the justification of commercial society pp. 526-528.

> disproportion betwixt them, the condition of the nobleman and his servant, is so great that he will hardly look on him as being of the same kind; he thinks he has little title even to the ordinary enjoyments of life, and feels but little for his misfortunes. The farmer on the other hand considers his servant as almost on an equall with himself, and is therefore the more capable of feeling with him.'[329]

Smith concludes from these considerations: '[t]hose persons most excite our compassion and are most apt to affect our *sympathy* who most *resemble* ourselves, and the greater the difference the less we are affected by them.'[330] Thus, as we can see, Smith deals with a form of society without social classes as the most important precondition for the principle of sympathy's becoming actuality. For in both of the countries, whether rich or poor, there are no sympathetic relations because of the separation of society into different social classes. In a poor country, there may still be some remnants of sympathetic relations because it does not admit of a great difference in fortune. But even in a poor society with social classes the principle of sympathy no longer serves as the foundation of all social relations.

However, Smith's fundamental criticism of social class relations should not be read as a call for a return to the original state of things, as expressed in the early essays of Rousseau, in which there were no social class relations. Nor does Smith call for the distribution of the wealth of society among its members, as James Harrington suggests in his discussion of 'Agrarian Law' for example. An agrarian law, though it may have 'indeed something very agreeable in it'[331], would nonetheless, according to Smith, destroy the advantages of the accumulation and

[329] Lectures Jurisprudence, p. 184.
[330] Lectures Jurisprudence, p. 184 (italics added).
[331] Lectures Jurisprudence, p. 195.

concentration of production as one of the most important factors for improving the productive forces of labour. From the 18th century's point of view, he says '[i]t would therefore be of no advantage to the state in the present state of things to prevent the growth of such large fortunes.'[332]

But if the state should not prevent the growth of large fortunes, due to the accumulation and concentration of production, society would most probably become rich. This would, however, enlarge 'the disproportion betwixt' masters and slaves and 'will make the rich men much more severe (sic) to their slaves'. Nonetheless, Smith thinks that this state of society is historically necessary in order to reach a state of society in which social relations might be established on the basis of the principle of sympathy. In other words, after a historical transitory period Smith sees the solution to the problems arising from social class relations in commercial society exactly in that ought-framework which Hume and Mandeville reject from a sceptical point of view as impossible. Let us suppose, Hume asserts sceptically,

> 'that nature has bestowed on the race such profuse *abundance* of all *external* conveniences, that, without any uncertainty in the event, without any care or industry on our part, every individual finds himself fully provided with whatever his most voracious appetites can want, or luxurious imagination wish or desire.'[333]

He continues few lines further down:

> '[i]t seems evident that, in such a happy state, every other social virtue would flourish, and receive tenfold increase; but the cautious, jealous virtue of justice would never once have been dreamed of. For what purpose make a partition of goods, where every one has already more

[332] Lectures Jurisprudence, p. 195.
[333] Hume, (1989), p. 183.

> than enough? Why give rise to property, where there cannot possibly be any injury? Why call this object *mine*, when upon the seizing of it by another, I need but stretch out my hand to possess myself of what is equally valuable? Justice, in that case, being totally useless, would be an idle ceremonial, and could never possibly have place in the catalogue of virtues.'[334]

He asserts then:

> '[w]e see, even in the present necessitous condition of mankind, that, whatever any benefit is bestowed by nature in an unlimited abundance, we leave it always in common among the whole human race, and make no subdivisions of right and property.'[335]

After having thus formulated the precondition of the fulfilment of benevolence, which would suspend the conception of justice, he comes to work out what this would mean to the relation between individuals. If there was 'abundance' of all external goods and if therefore benevolence was possible:

> '[e]very man, upon this supposition, *being a second self to one another*, would trust all his interests to the discretion of every man; without jealousy, without partition, without distinction. And the whole human race would form only one family; where all would lie in common, and be used freely, without regard to property; but cautiously too, with as entire regard to the necessities of each individual, as if our own interests were most intimately concerned.'[336]

Hume claims that the state of society with a 'profuse *abundance* of all *external* conveniences' must be established by nature so that the principle of sympathy can become the actual foundation of all social relations. However, Smith endeavours to show in WN that this state of society does not need to be erected by nature. Since

[334] Hume, (1989), pp. 183-184.
[335] Hume, (1989), p. 184.
[336] Hume, (1989), p. 185 (italics added).

this is exactly that what human beings do by themselves step by step by improving the productive forces of labour.

2. 2 Smith's conditional justification of the possibility of utopia

Now, reading Smith's work in this way, that is, suggesting that there is a utopia in Smith's work, sets a challenge for us. It reminds us of Smith's "scepticism" about the possibility of utopia, which he formulates in WN IV.ii.43. He says: '[t]o expect, indeed, that the freedom of trade should ever be entirely *restored* in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be *established* in it.'[337] In this assertion Smith refers to three types of utopia at the same time: *freedom of trade*, a vision which was in the air at least since the Physiocrats and was formulated against Mercantilism; *Oceana* points to James Harringtons *The Commonwealth of Oceana*; and *Utopia* refers to Thomas More's *Utopia*. In what follow I subsume these under the term of utopia. Here it seems as if he would assert that whichever utopia we take, whether the freedom of trade, the Morean or the Harringtonian version, its realisation is impossible. In order to respond to the challenge, we must again work out how Smith justifies his scepticism. Again, as with the question whether the establishment of distinction and rank based on moral capacities and character is possible, Smith does not formulate his scepticism on the basis of 'principle'. If Smith had committed himself to scepticism in principle, he would have ended up in positivism, like Hume for example. When we glance at this sentence and consider Smith's choice of words, especially the strong connotations of 'absurd', for

[337] WN IV.ii.43 (italics added).

example, we might well think that Smith commits himself to the principle of scepticism without any reservation.

However, unlike Hume, Smith is not questioning the possibility of *freedom of trade*, *Utopia* or *Oceana* as such. He says that these are impossible because

> '[n]ot only the prejudices of the publick, but what is much more unconquerable, the private interests of many individuals, irresistibly oppose it. Were the officers of the army to oppose it with the same zeal and unanimity any reduction in the number of forces, with which master manufacturers set themselves against every law that is likely to increase the number of their rivals in the home market; were the former to animate their soldiers, in the same manner as the latter enflame their workmen, to attack with violence and outrage the proposers of any such regulation; to attempt to reduce the army would be as dangerous as it has now become to attempt to diminish in any respect the monopoly which our manufacturers have obtained against us. This monopoly has so much increased the number of some particular tribes of them, that, like an overgrown standing army, they have become formidable to the government, and upon many occasions intimidate the legislature. The member of parliament who supports every proposal for strengthening the monopoly, is sure to acquire not only the reputation of understanding trade, but great popularity and influence with an order of men whose numbers and wealth render them of great importance. If he opposes them, on the contrary, and still more if he has authority enough to be able to thwart them, neither the most acknowledged probity, nor the highest rank, nor the greatest publick services can protect him from the most infamous abuse and detraction, from personal insults, nor sometimes from real danger, arising from the insolent outrage of furious and disappointed monopolists.'[338]

In this paragraph, at first sight, Smith appears to reject the possibility of utopia as such. On closer examination, however, he does in fact formulate at least two preconditions which should be fulfilled so that utopia may become possible. He refers to 'public prejudices' and 'master manufacturers' as presenting fundamental

[338] WN IV.ii.43.

obstacles to the realisation of utopia. For if public prejudices can be overcome by enlightening them; if 'master manufacturers' as a social force can be overcome by other social forces who, due to their social situation, may have an interest in realising utopia, in short, if these obstacles could be overcome, there is no reason why utopia should not be possible. Therefore, on closer examination, the reasons which Smith gives in order to justify why he thinks that utopia would not be possible turn themselves into historical, social and political challenges which must be overcome if the existing social conditions become a burden and if the realisation of utopia appears to be the only way out of these.

What is also important here is the radicalism with which Smith formulates the second obstacle. He refers to the whole economic and political structure of commercial society as obstacles to the realisation of utopia. It is as if he wanted to say that the whole political 'machine' and the economic structure of commercial society must be revolutionised if utopia should be historically and socially necessary and possible. In short, if my reading of this paragraph is correct, then we may conclude that Smith is in fact justifying the possibility of realising utopia in an indirect way. That is, he is formulating some preconditions which must be fulfilled so that utopia can be realised.

If my reading of this paragraph is correct, that is, if Smith's seeming-scepticism with regard to the possibility of utopia turns out to be in fact a conditional justification, then this would, in turn, mean that Smith seems to put before us at least three types of utopia: that of free trade, that of Harrington and that of More. This may indeed be seen as a problem in Smith's formulation of his utopia, since he refers

to three types of utopia at the same time, and this may in consequence cause indeed some interpretative dilemma. For the principle of free trade and the Harringtonian version of utopia begin with an entirely different paradigm to that of More. In other words, if Smith is justifying the possibility of realising utopia in an indirect, rather than a direct way, and if he is putting before us three types of utopian society with entirely different paradigms, within the framework of which the problems of commercial society may be solved, then we may need to work out which of these three types of utopia might be seen as Smith's real utopia.

There may be many ways of interpreting the paragraph quoted above and any suggestion about how the problem in Smith's formulation of his utopia should be solved can only be a speculative one. But the suggestion I would like to make is that all these three forms of utopia must be taken together and set in relation to one another.

The scholars of Smith's work who dealt with his utopia were implicitly or explicitly concentrated mostly on his idea of freedom of trade. However, reading Smith's work in the light of what I suggest would mean that his utopia consists of three complementary elements: freedom of trade, *Oceana* and *Utopia*. Smith's conception of freedom of trade seems to refer to the equal distribution of commodities in the market. His reference to James Harrington's *Oceana* points to the equal distribution of land. That is, both the principle of freedom of trade and *Oceana* are developed on the basis of the paradigm of distributive justice, and may be taken together. His reference to Thomas More's *Utopia* refers to the common use and administration of all means of production and subsistence.

Thomas More and James Harrington were not the first or last figures in the history of European utopian thought. But their utopias respectively represent in modern times two different paradigms, which may be claimed to separate European utopian thought generally into two great schools. The Harringtonian version of utopia and the idea of freedom of trade are above all concerned with the division of land and distribution of wealth among the citizens. The Morean version of utopia, by contrast, is concerned primarily with the socialisation of land and wealth. In other words, the Harrington version of utopia, as well as the concept of freedom of trade, remains within the paradigm of what is called, at least since Plato and Aristotle, the distinction between 'mine' and 'thine', and which is the sole foundation of private property. By contrast, the Morean version of utopia questions this paradigm essentially and wants to establish a society based on the principles of common ownership. Philosophically speaking, Harrington wants to establish a society on the principle of distributive justice, merit and demerit. More, by contrast, aims at establishing a society on the principle of mutual recognition.

How do these two types of utopia relate to Smith's utopia? How can this apparent interpretive dilemma be solved? In order to solve it, I suggest differentiating within Smith's utopia between short-term and long-term aims. Especially, I suggest that what Smith discusses under the terms of freedom of trade and *Oceana* refers to his short-term solution and *Utopia* to his long-term solution to the problems arising from the technical and social division of labour in commercial society. It is said that Plato operated merely based on long-term or ideal solutions, whereas Aristotle dealt only with short-term or immediately possible solutions. Unlike Plato and Aristotle,

Smith seems to operate on the basis of both based on short- and long-term, or immediately-possible and ideal, solutions at the same time.

That is to suggest that we should perhaps read the idea of freedom of trade and the Harringtonian version of utopia in Smith's work as his short-term aim, and the Morean version as his long-term aim. This would mean that, with his short-term aim, Smith wants to reform radically commercial society without questioning its essential logic, whereas with his long term solution he wants to overcome commercial society essentially. I am not claiming that Smith formulates this explicitly. But I am maintaining that this may be a more reasonable explanation of the above-formulated interpretative problem, when we take seriously his most fundamental conceptions such as mutual sympathy and mutual love. This reading would also conform to his non-utilitarian conception of action.

However, apart from all these arguments, in my reading I am inspired particularly by two passages in TMS. *Firstly*, when Smith comes to deal with the sense of merit and demerit in part two of TMS he defines merit and demerit as 'species' of criteria of approbation and disapprobation distinct from propriety and impropriety.[339] The main difference between these two sets of criteria is this: whereas the former are to be seen within the paradigm of justice, which is according to Smith a negative virtue, the latter can hardly be confined to the conception of justice and therefore it must be placed within the paradigm of mutual sympathy and recognition. *Secondly* and more importantly, Smith says:

[339] TMS II.intro.1.

> 'Society may subsist among different men, as among different merchants, from a sense of its utility, without any mutual love or affection; and though no man in it should owe any obligation, or be bound in gratitude to any other, it may still be upheld by a mercenary exchange of good offices according to an agreed valuation.'[340]

But

> '[w]here the necessary assistance is reciprocally afforded [not based on the principle of utility but,- DG] from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection, and are as it were, drawn to one common centre of mutual good offices.'[341]

The former principles refer to the system of justice and utility, that is, to the idea of freedom of trade and the Harringtonian version of utopia, whereas the latter points to the system of mutual recognition and the Morean version of utopia.

This seems to me to be the best solution to the interpretative problem in Smith's formulation of his utopia. If we remain within his theory of distribution then we may be able to claim that he champions the idea of freedom of trade and the Harringtonian version of utopia. However, this would hardly question the very logic of quantitative exchange relations, and consequently it would contradict Smith's whole system of mutual recognition. If we leave, however, his theory of distribution and enter his theory of production, and bear in mind what he says about the concentration of production as a progressive outcome of the accumulation of capital, then we may be able to suggest that he operates with the Morean version of utopia as an essential alternative to commercial society, which may also be, according to Smith's account, a satisfactory solution to the Adam Smith Problem.

---

[340] TMS II.ii.3.2.
[341] TMS II.ii.3.1.

Part V: Conclusions

In this thesis, I have been dealing with the Adam Smith Problem. This Problem refers to a long-standing debate on the relationship between Smith's two major works: *The Theory of Moral Sentiments* (TMS) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (WN). As I have noted in the Introduction to this thesis, it is claimed that Smith's basic anthropological assumptions in these two works contradict one another fundamentally. There are two passages in particular, one in TMS and other in WN, which gave rise to the whole debate some 150 years ago (see above pp. 11-14).

Since this problem was more or less explicitly identified in the 1840s, many attempts have been made to explain and solve it. From a methodological point of view, I differentiated between two major groups of scholars: on the one hand those scholars who deal with the problem merely as a textual problem, and on the other hand, those scholars who deal with it as a real problem arising from social relations in commercial society, rather than conceptually from Smith's work. Despite many important differences within the former group of scholars, I preferred to call their approach *textual-analytical* and to contrast with this group, I classified the approach of the latter group of scholars as *historical.*

Despite many reservations about the latter group and making use of some of the arguments of the former group, I understand my thesis as a contribution to the historical approach. More specifically, in this thesis I have adopted a historical-

critical (but also systematic) approach to Smith's work. However, what I have argued in this thesis differs in two crucial respects from all other solutions which have been proposed since the problem was formulated.

The first major difference concerns my view of the relationship between TMS and WN. To the best of my knowledge, this view has never been explored before. I have not suggested that Smith developed a theory of social individuality in TMS and a theory of the egoistic individual in WN. Rather, I have argued that Smith developed in *both* of his major works a theory of social individuality. That is to say that he developed in TMS a theory of social individuality and then approaches critically from this point of view the situation of individuals in commercial society. In other words, I have suggested that Smith's theory of social individuality in TMS works in WN as a critique of the situation of individuals in commercial society. In short, I have argued that we should see TMS as providing a critical perspective or 'window' which works as a critique of commercial society in WN.

Let me illustrate how I approached the relationship between TMS and WN in this thesis by returning to the butcher-brewer-baker-passage. In the most quoted part of this famous passage Smith asserts: '[i]t is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.'[342] In relation to the fundamental assumptions of TMS, this passage appears to many scholars to be a

[342] WN I.ii.2.

problematic one, because it is usually read in a de-contextualised way and without any terminological relation to TMS. However, if we read this passage in its context, we may see how TMS works as the background of WN. In this passage, Smith refers to TMS at least twice more or less explicitly.

Firstly, the butcher-brewer-baker-passage occurs in WN for the first time in chapter II of book I of WN, which is entitled 'Of the Principle which gives occasion to the Division of Labour'. Before Smith comes to his famous assertion that it is 'not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their interest', he discusses in this chapter such questions as: what gives occasion to the division of labour and commercial exchange relations?; do the principles which give occasion to the division of labour and commercial exchange relations belong to a 'propensity in human nature' or to 'wisdom', 'reason' and 'speech'?; what is the nature of commercial exchange relations?, and do they take place on the basis of the principle of benevolence or self-interest?.

Now, if we do not approach all these questions with TMS in our minds we can hardly understand what he means by them since he does not give any explanation or definition of the concepts and categories used in posing them; neither in this chapter nor, I believe, elsewhere in WN. We could hardly grasp why he excludes 'human wisdom' and why he prefers to refer to 'a certain propensity in human nature' as a more reliable source which may have given occasion to the division of labour and commercial exchange relations. We could hardly understand why Smith is prepared

to refer to the 'propensity in human nature' as a justificatory basis 'to truck, barter, and exchange one thing for another', but nonetheless refuses more or less explicitly to place this propensity among 'those original principles in human nature'[343] such as compassion and sympathy, for example.

But all these questions become explicable, if we refer to the terminological apparatus of TMS. If we approach these considerations of Smith with TMS in our minds, we may recognise, for example, that Smith attaches to his category of 'human nature' in particular and to 'nature' in general a more normative force than to wisdom, reason and human language. We may see that he formulates a hierarchical order between what he calls the 'propensity in human nature' and the 'original principles in human nature'. That is to suggest that we may find out that he is prepared to accept that the division of labour and commercial society is a necessary stage in the development of human history, but that it is irreconcilable with his conception of sympathy, which comprises, in Smith's view, all the original principles or passions in human nature, as he points out already in the first paragraph of TMS. More importantly, we may see that Smith himself believes that there is a contradiction between the principle of mutual sympathy and the conception of self-interest as a pure economic category.

Secondly, before Smith comes to his famous assertion about the butcher etc, he refers to TMS more or less explicitly again. He compares the relationship between animals, between animals and human beings, and between human beings. He points

[343] WN I.ii.1& 2.

out how other animals obtain the good will both of one another and of human beings, namely by means of persuasion, that is, by endeavouring to engage their attention 'by a thousand attractions'. He observes in this context that human beings employ the 'same arts with his brethren' in order to gain their good will. They have, however, Smith continues, in civilised society '*not time* (...) to do this upon every occasion.'[344] After this assertion, he then sets out his considerations about how 'mutual aid' takes place between human beings in the age of commercial society, so that they can satisfy their needs. This does not take place on the basis of the principle of good will or benevolence, but on the principle of self-interest as a purely economic category.

In this comparison and consequent considerations, he refers to so many different conceptions in TMS, that it is hardly possible here to discuss them all. He refers, for example, to his conception of mutual cognition and recognition, he points to his theory of communication and to the structure of communication in commercial society. All these references lie hidden in his reference to 'time' and we can find this out only if we approach it with TMS in our minds. For in TMS Smith asserts: '[s]ociety and conversation ... are the most powerful remedies for restoring the mind to its tranquillity, if, at any time, it has unfortunately lost it'.[345] What is important about this passage is that he does not only refer to society but also to conversation as a remedy to regain tranquillity of the mind. If he had referred merely to society we could have said that commercial exchange relations also take place in society. However, Smith refers also to conversation as a precondition for restoring the

[344] Cf. WN I.ii.2 (italics added).
[345] TMS I.i.4.10.

tranquillity of mind, which requires a lot of time. Furthermore, he says that in civilised or commercial society, there are exchange relations taking place on the basis of the principle of self-interest but no one has sufficient time throughout his whole life to 'gain the friendship of a few persons'.[346] In other words, he seems to suggest that there is hardly any conversation and communication in commercial society.

In this thesis, then, I have argued that if we approach WN from the perspective that has been set out in TMS, Smith's assertions in WN appears in an entirely different light and the contradictions, interpretative dilemmas and problems appear to be real-world dilemmas, contradictions and problems to which Smith himself refers. Thus I have suggested that we should regard TMS not as the foundation of social relations in commercial society as described in WN, i.e. not as a device by means of which commercial exchange relations may be improved or perfected, but as providing a critical perspective or 'window' on WN.

The second major difference between my proposed solution and those supported by others concerns my emphasis on Smith's historical anticipations of the further development of society, that is, on his utopia, as a solution to the real-world Adam Smith Problem. Many scholars who dealt with these concentrated on his conception of free trade, which he formulates in connection with his metaphorical use of the 'invisible hand'. In contrast to these scholars, I suggested that the notion that Smith unfolds through his concept of the invisible hand remains within a theory

[346] Cf. WN I.ii.2.

of justice, that is, within the framework of the distinction between mine and thine. As I have argued, however, the principle that serves as the foundation of Smith's utopia is *mutual sympathy,* the implications of which go far beyond the limits of a theory of justice and far beyond the framework of commercial society.

Thus I emphasise the role of Smith's historical anticipations about the further development of society, that is, his utopia, as a solution to the Adam Smith Problem more than has ever been done before. Further, my position differs crucially from that of most scholars who refer to this aspect of Smith's work. Almost all scholars who refer to the tension between Smith's treatment of the system of natural liberty and the system of liberty in commercial society seem to suggest that Smith is not consistent or consistent enough in the conclusions of his insight into this tension.

Cropsey seems to formulate this claim, for example, when he asserts that, though Smith saw clearly the tension between the system of liberty and the system of the liberty in commercial society, he nonetheless '...bargained Freedom with an enlightenment linked with passion. The nature of the bargain is what is now being tested by the experience of our epoch'.[347] Meek seems to suggest that Smith goes one step beyond this 'bargain' and refers to Smith's teleology or anticipation of the further development of society. By referring to a passage from John Millar's *The Origins of the Distinction of Ranks,* he suggests that the same idea applies also to Smith. Millar predicts that

[347] Cropsey (1957), p. 101.

> '[i]t cannot be doubted that these circumstances [of commercial society,-DG] have a tendency to introduce a democratical government. As persons of inferior rank are placed in a situation which, in point of subsistence, renders them little dependent upon their superiors; as no one order of men continues in the exclusive possession of opulence; and as every man who is industrious may entertain the hope of gaining a fortune; it is to be expected that the prerogatives of the monarch and of the ancient nobility will be gradually undermined, that the privileges of the people will be extended in the same proportion, and that power, the usual attendant of wealth, will be in some measure diffused over all the members of the community.'[348]

Meek, commenting on this passage, asserts that this notion of the development of commercial society, i.e. that wealth would soon be distributed among the whole community almost in the same proportion, applies to many other philosophers of the 18th century including Smith.[349]

The main difference between my approach and those of other scholars of the historical approach concerns their treatment of the teleological aspects of Smith's work. As opposed to Cropsey, I suggest that Smith's 'bargain of Freedom with enlightenment linked with passion' is only a temporary bargain. In agreement with Teichgraeber, I suggest that Smith wants to free human beings from a merely normative theory of ethics as it was developed in the tradition of civic virtue. In contrast to him, however, I suggest that Smith does not want to reconcile ethics with commercial exchange relations. I prefer rather to describe Smith's approach as a critical analysis of social relations in the age of commerce. In doing so, I suggest further that Smith deduces the normative aspects of his ethics from practical life.

---

[348] Millar (1990), p. 235.
[349] Meek (1973), p. 66.

Further, unlike Meek, I endeavoured to show that a consideration of the teleological aspects of Smith's work should not be restricted to the notion of the distribution of external goods, which Smith formulates in the context of his metaphor of the 'invisible hand' in WN. But I argued that Smith's reference to the metaphor of the 'invisible hand' should be seen merely as a minor accessory and that his theory of distribution as regards external goods remains still within the principles of a theory of justice, that is, within the framework of the distinction between mine and thine. I suggested, by contrast, that the principle which serves as the foundation of Smith's utopia is *mutual sympathy* or, to put it in Hegelian terminology, *mutual recognition,* the implications of which go far beyond the limits of the theory of justice and far beyond the framework of commercial society.

Returning now to the main question that is raised in this thesis, namely whether Smith's work contains two contradictory anthropological views: in this thesis, I do not challenge the assertion that there is a contradiction between Smith's anthropological claims in TMS and WN. In agreement with this assertion, I argued that there are indeed a contradiction. But what I do challenge in this thesis is, on the one hand, how these two contradictory anthropological assertions are defined, and on the other hand, the conceptual ascription of this contradiction to Smith. *Firstly*, we find indeed two contradictory anthropological claims in Smith's work. However, we do not have merely, on the one hand, an altruistic view in TMS, and on the other hand, an individualistic view in WN. Rather, we have in TMS an anthropological conception of human beings, which regards human beings as social individuals, as "ensembles" of their social relations. And in WN there is a critical account of human

beings in commercial society, which describes them as egoistic beings. *Secondly*, there is indeed a contradiction between his description of human beings in TMS and WN. However, this obvious contradiction cannot be ascribed to Smith. It is a real historical contradiction prevailing in commercial society, which Smith criticises implicitly and explicitly in different contexts.

Indeed, it is not very difficult to show that Smith entertained neither merely an egoistic nor merely an altruistic anthropological view. On the contrary, at least on the basis of TMS, it does not require much effort to show that Smith's moral philosophy is developed, on the one hand, against the purely egoistic, and on the other hand, against the purely altruistic anthropological views in European philosophy in its broadest sense. By relying on TMS, it is, indeed, not very difficult to demonstrate that Smith's ethics is erected on the principle of *mutual sympathy* or, in order to put it in Hegelian terms, *mutual recognition.* The principle of mutual sympathy, at least the Smithian version of it, regards individuals as "ensembles" or "totalities" of their social relations. That is to suggest that they represent, with all their skills, values and projects, the totality of their socialisation process. According to this principle, they cannot be otherwise than social individuals since they mirror from their particular perspectives or from their particular point of views their particular social relations. In short, in TMS Smith develops a theory of social individuality.

It is, therefore, not by chance that those scholars rely mainly on TMS when they defend the position that Smith entertained neither a merely egoistic nor a merely altruistic anthropological view. Particularly in the 1970s and 1980s the research on Smith's work highlighted the fact that Smith developed his moral philosophy, on the

one hand, against Mandeville's merely individualistic, and on the other hand, against Hutcheson's merely altruistic conception of human beings. However, Smith does not criticise Mandeville's individualistic conception of human beings in its descriptive sense. Mandeville describes, in his *The Fable of the Bees, or, Private Vices, Publick Benefits,* individualism as he observes it in commercial society. However, this description in Mandeville's account turns itself in his formula of *Private Vices, Public Benefits* into a supra-historical prescription.[350] Smith challenges this prescriptive or normative view of Mandeville's. Further, Smith does not challenge Hutcheson's altruistic conception of human beings either in its normative or in its descriptive sense. What Smith challenges is that Hutcheson's concept of human beings forgets about the particular interests of human beings when he points in a Stoic manner to their social duties.

However, I think all these attempts, important as they are, to clarify the questions arising from Smith's work are merely restatements of Smith's position, rather than demonstrating that, according to Smith's mirror theory, human beings cannot be otherwise than individual social beings. If we rely merely on TMS, this would take into account only partly the challenges put forward by the expression of the Adam Smith Problem. For those scholars who formulated the problem ascribe explicitly to Smith those two irreconcilable anthropological views by taking both Smith's works into account: TMS as well as WN. The scholars of the French connection theory and the dualist justificatory approach ascribe anthropological dualism to Smith when they claim that he wrote TMS on an altruistic anthropological

[350] Cf. Mandeville (1988).

view, whereas WN is based on egoistic anthropological principles. Again, such writers as Milton Friedman and Friedrich A. Hayek, who developed their own egoistic anthropological views based on a positivist reading of WN, that is, by ignoring the critical aspects of WN, and TMS entirely, ascribe to Smith these two irreconcilable anthropological views implicitly. However, even those writers who defend the position that Smith did not entertain any egoistic anthropological view seem to ascribe conceptually to Smith two irreconcilable anthropological views when they rely mainly on TMS, and ignore WN. In short, both of these last-mentioned groups of writers, whether they ascribe to Smith an egoistic or an altruistic anthropological view or even a conception of social individuality, when they rely mainly on only one of Smith's major works, they accept, in one way or another, the claim of two irreconcilable anthropological views more or less explicitly.

Thus the question that I have concentrated on is how this contradiction between these anthropological views developed in both of his major works can be explained. In other words, the question that needs to be answered in the debate about the Adam Smith Problem is whether TMS and WN can be read as two complementary works. In this thesis, I have argued that these two works can and should be read as complementary and that the contradiction between the anthropological views in these two works can be explained. However, there are many other scholars who also suggest reading these two works as complementary ones. Some suggest reading them as complementary in the sense that Smith's fundamental conceptions, such as sympathy and the impartial spectator as they are developed fully in TMS, should be seen as strategic devices for enabling individuals to cope with exchange relations in

commercial society.[351] However, when I propose reading TMS and WN as complementary works, I do not mean it in this sense. Rather, I propose reading them as complementary in the sense that the fundamental categories of TMS should be read as the foundation of his critique of commercial society.

Finally, I would like to suggest another way in which what I have argued might be represented. By reconstructing the anthropological views of Smith as they were developed in both of his major works, what I have endeavoured to show is that Smith developed in both of them an anthropological view that can be described as *dialectical* regarding human beings as individual natural, social, thinking and acting beings. That is, I suggest that Smith should be seen as a dialectician rather than as a *dualist*, as claimed by many scholars who have formulated and explored the Adam Smith Problem.

According to *A Dictionary of Eighteenth-Century History*, the term 'dualism' was employed in order to designate, in a cosmological sense, a belief 'that the universe consists in two independent and original principles – one of which is evil and the other of which is good.' In his article in this dictionary, John P. Wright suggests that this view was adopted by Pierre Bayle and David Hume in order to oppose 'orthodox Christianity'. The word has since come to be applied to anthropology, that is, to the theory of human nature, which has caused many discussions between Cartesian scholars, on the one hand, and Materialists, on the other: discussions about, for example, whether such properties as thought and

[351] Cf. for example: Sturn (1991), pp. 105-108.

perception of the soul should be regarded as entirely different from such properties as extension and divisibility of the body, or whether they should be regarded as different properties of matter structured in a certain way.[352]

'Dualism' as a term originates from the Latin word *dualis* and means approximately 'two-fold' or 'containing two'. At least since the 18th century, it has designated a theory of two principles which are not only different but also radically independent from one another, so that the understanding of one principle has no bearing at all on the understanding of the other principle. Therefore, it necessarily explores these principles in isolation from one another. So, for example, the understanding of society has no bearing on the understanding of individuals and vice versa.

However, this theoretical approach can, as I have shown in this thesis, hardly be said to be one that Smith employs in his work. He may rather be described as a dialectician. As opposed to dualism, dialectics supposes that there is also unity between these two different principles. Unlike dualism, it supposes a mediating *third* between different principles. In other words, according to the conception of dialectics there is a thesis, an antithesis and a synthesis or a mediating third between them. This third in the conception of dialectics is intended to overcome the contradictions between two opposing principles in a higher stage. As opposed to a dualist approach, a dialectician would regard, for example, individual and society as different forms of

[352] Cf. Wright (1996), p. 207.

one and the same "thing", and therefore would suppose that there is a mediating third between these different forms.

So, when I suggest that we should describe Smith as a dialectician, I mean particularly by this that Smith employs in his work a conception of a "mediating third" between two opposing principles, as, for example, his conception of the impartial spectator. The impartial spectator is supposed to mediate between the individual and society. Indeed, as I have argued in this thesis, Smith operates with a conception both of a mediating *external* third and of a mediating *internal* third. His conception of an external mediating third refers to social relations in general, whereas his conception of an internal mediating third refers to his conception of the impartial spectator or conscience as a mirror of these social relations. Therefore, I suggest, Smith should be seen as a dialectician rather than as a dualist. However, to show that this is so would require us to consider many other areas of Smith's philosophical work, in which similar issues of dualism and dialectics also arise; but this is beyond the scope of the present thesis.

Bibliography

I. Primary Sources

1. Smith, A., *The Theory of Moral Sentiments*, (eds.) Raphael, D. D. and Macfie, A. L., Indianapolis 1984.
2. Smith, A., *Theorie der ethischen Gefühle*, (ed.) Eckstein, W. (1926), reprint. Hamburg 1994.
3. Smith, A., *An Inquiry into the Nature and Causes of Wealth of Nations*, vol. 1, eds. Campbell, R. H. and Skinner, A. L., textual (ed.) Todd, W. B., Indianapolis 1981.
4. Smith, A., *An Inquiry into the Nature and Causes of the Wealth of Nations*, vol. 2, (eds.) Campbell, R. H. and Skinner, A. L., textual ed. Todd, W. B., Indianapolis 1981.
5. Smith, A., *Lectures on Jurisprudence*, (eds.) Meek, R. L., Raphael, D. D. and Stein, P. G., Indianapolis 1982.
6. Smith, A., *Lectures on Rhetoric and Belles Lettres*, (ed.) Bryce, J. K., Indianapolis 1985.
7. Smith, A., *Considerations Concerning the First Formation of Languages, and the Different Genius of Original and Compounded Languages*, in: *Lectures on Rhetoric and Belles Lettres*, (ed.) Bryce, J. K., pp. 201-226, Indianapolis 1985.
8. Smith, A., *The Principles which lead and direct Philosophical Enquiries; Illustrated by the History of the Ancient Physics*, in: *Essays on Philosophical Subjects*, pp. 106-117, (eds.) Bryce, J. C. and Wightman W. P. D., Indianapolis 1982.
9. Smith, A., *The Principles which lead and direct Philosophical Enquiries; Illustrated by the History of the Ancient Logics and Metaphysics* in: *Essays on Philosophical Subjects*, pp. 118-129, (eds.) Bryce, J. C. and Wightman W. P. D., Indianapolis 1982.

10. Smith, A., *The Principles which lead and Direct Philosophical Enquires; Illustrated by the History of Astronomy*, in: *Essays on Philosophical Subjects*, pp. 33-105, (eds.) Bryce, J. C. and Wightman W. P. D., Indianapolis 1982.
11. Smith, A., *Of the External Senses*, in: *Essays on Philosophical Subjects*, pp. 135-168, (eds.) Bryce, J. C. and Wightman W. P. D., Indianapolis 1982.
12. Smith, A., *Correspondence*, (eds.) Mossner, E. C. and Ross, I. A., Indianapolis 1987.
13. Hume, D. (1978), *A Treatise of Human Nature*, with an Analytical Index L. A. Selby-Bigge, Second edition, with text revised and notes by P. H. Nidditch, Oxford.
14. Hume, D. (1989), *Enquires Concerning Human Understanding and Concerning The Principles of Morals*, reprinted from the 1777 edition with Introduction and Analytical Index by L. A. Selby-Bigge, Third Edition with text revised and notes by P. H. Nidditch, Oxford.
15. Hutcheson, F. (1969), *A Short Introduction to Moral Philosophy* (1747), in: *Collected Works of Francis Hutcheson*, vol. 4, Facsimile Editions Prepared by Bernhard Fabian, Hildesheim.
16. Hutcheson, F. (1969), *A System of Moral Philosophy* [Edinburgh 1755], vol. 1, in: *Collected Works of Francis Hutcheson*, vol. 5, Facsimile Editions Prepared by Bernhard Fabian, Hildesheim.
17. Reid, Th. (1967), *Philosophical Works*, vol. 1, (ed.) William Hamilton, Hildesheim.
18. Reid, Th. (1967), *Philosophical Works*, vol. II, (ed.) William Hamilton, Hildesheim.
19. Reid; Th. (1983), *Inquiry and Essays*, (eds.) Beanblossom, R. E. and Lehrer, K., Indianapolis.
20. Stewart, D. (1982), *Account of the Life and Writings of Adam Smith*, L.L.D., ed. Ross, I.S., in: Smith, A., *Essays on Philosophical Subjects*, pp. 269-332, (eds.) Wighman, W.P.D. and Bryce, J.C., Indianapolis.

II. Secondary Sources

1. Argyle, M. (1990), *The Social Pschology of Work*, Penguin Books.
2. Aristotle (1984), *Nicomachean Ethics*, in: *The Complete Works of Aristotle*, ed. Barnes, J., vol. 2, Princeton/New Jersey.
3. Ayer, A. J. (1970), *Sprache, Wahrheit und Logik*, Stuttgart.
4. Bentham, J. (1996), *An Introduction to the Principles of Morals and Legislation*, ed. Burns, J.H. and Hart, H.L.A., Oxford.
5. Brentano, L. (1891), *The Relation of Labor to the Law of Today*, trans. Sherman, P., New York.
6. Brown, M. (1988), *Adam Smith's Economics*, London/New York/Sydney.
7. Buckle, H.T. (1867), *History of Civilization in England*, vol. 3, London.
8. Buckle, H.T. (1970), *On Scotland and the Scotch Intellect*, Chicago and London 1970.
9. Campbell, T. D. (1971), *Adam Smith's Science of Morals*, London.
10. Campbell, T. D. (1975), "Scientific Explanation and Ethical Justification in the *Theory Moral Sentiments"*, in: *Essays on Adam Smith*, eds. Skinner Andrew S. & Wilson Thomas, Oxford.
11. Clive, J. (1996), "The Social Background of the Scottish Renaissance", in: *Scotland in the Age of Improvement,* eds. Phillipson, N.T. and Mitchison, R., Edinburgh.
12. Cropsey, J. (1957), *Polity and Economy: An Interpretation of the Principles of Adam Smith*, The Hague, Martinus Nijhoff.
13. Cropsey, J. (1975), "Adam Smith and Political Philosophy", in: *Essays on Adam Smith*, eds. Skinner, Andrew S. and Wilson, T., pp. 133 – 153, Oxford.
14. Davie, G. (1991), "The Social Significance of the Scottish Philosophy of Common Sense", in : *The Scottish Enlightenment and Other Essays*, Edinburgh.
15. Davie G. (1994), "The Mirror Theory: Hume and Smith against Derrida", in: *A Passion for Ideas: Essays on the Scottish Enlightenment*, vol. 2, pp. 135-149, (ed.) Macdonald, M., (intro) Gunn, R., Edinburgh.

16. Davie, G. (1994), "Berkley's Impact on Scottish Philosophers", in: *A Passion for Ideas: Essays on the Scottish Enlightenment*, vol. II, ed. Macdonald, M., intro. by Gunn, R., Edinburgh.
17. Davie, G., "Berkley, Hume, and the Central Problem of Scottish Philosophy", in: *A Passion for Ideas: Essays on the Scottish Enlightenment*, vol. II, ed. Macdonald, M., intro. by Gunn, R., Edinburgh 1994.
18. Descartes (1997), *Key Philosophical Writings*, Wordworth editions, Herdfordshire.
19. Durkheim, E. (1988), *Über Soziale Arbeitsteilung*, Frankfurt a.M.
20. Feuerbach, L. (1980), "Zur Kritik der Hegelschen Philosophie", in: Feuerbach, L., *Philosophische Kritiken und Grundsätze*, ed. Schuffenhauer, W., Wiesbaden.
21. Fichte, J.G. (1988), *Grundlage der gesamten Wissenschaftslehre*, Hamburg.
22. Fleischacker, S. (1991), "Philosophy in Moral Practice: Kant and Adam Smith", in: *Kant- Studien* (1991), Heft 1– 4, pp. 249 – 269, Berlin/New York.
23. Forbes D. (1979), "Hume and the Scottish Enlightenment", in: *Philosophers of the Enlightenment* (ed. S.C. Brown), The Harvester Press/Humanities Press Inc., Sussex/New Jersey.
24. Forbes, D. (1953-54), "Scientific Whiggism: Adam Smith and John Millar", in: *Cambridge Journal* (1953-54), vol. 7, p. 643-646.
25. Gunn, R., "Scottish Common Sense Philosophy", in: *Edinburgh Review*, Winter 1991-1992, issue 87, pp. 117-140.
26. Harrington, J. (1996), *The Commowealth of Oceana*, ed. Pocock, J.G.A., Cambridge.
27. Hegel, G. W. (1996), *Differenz des Fichte'schen und Schelling'schen Systems der Philosophie in Beziehung auf Reinhold's Bezträge zur leichtern Übersicht des Zustands der Philosophie zu Anfang des neunzehnten Jahrhunderts*, erstes Heft, in: Werke, vol 2, eds. Moldenhauer, E. & Michel, K. M., Frankfurt a. M.
28. Hegel, G.W.F. (1993), *Wissenschaft der Logik*, vol 2, in: Werke, vol. 6, eds. Moldenhauer, E. and Michel, K.M., Frankfurt a/M.

29. Hegel, G.W.H. (1986), *Vorlesungen über die Geschichte der Philosophy*, in: Werke, vol. 20, eds. Moldenhauer, E., and Michel, K. M, Frankfurt a/M.
30. Hildebrand, Bruno, *Die Nationalökonomie der Gegenwart und Zukunft*, Frankfurt a/M.
31. Hobbes, Th. (1985), *Leviathan*, ed. and intro. by Macpherson, C. B., Penguin Books.
32. Holz, H.H. (1997), *Einheit und Widerspruch: Problemgeschichte der Dialektik in der Neuzeit*, vol. 1, Stuttgart.
33. Husserl, E. (1992), *Cartesianische Meditationen*, in: Gesammelte Schriften, vol. 8, Hamburg.
34. Kant, I. (1974), *Grundlegung der Methaphysik der Sitten*, in: Werke, vol VII, ed. Wilhelm Weischedel, Frankfurt a/M.
35. Kant, I. (1998), *Kritik der reinen Vernunft*, ed. Timmermann, J., Hamburg.
36. Knies, Carl G.A. (1853), *Die politische Ökonomie vom Standpunkte der geschichtlichen Methode*, Brauenschweig.
37. Koch, M. (1994), *Vom Strukturwandel einer Klassengesellschaft*, Münster.
38. Kohlberg, L. (1997), *Die Psychologie der Moralentwicklung*, Frankfurt/a.M.
39. Laufer, S. (1902), *Smith und Helvetus. Ein Beitrag zum Adam Smith-Problem*, Berlin.
40. Leibniz, G.W. (1951), *New Essays on the Understanding*, in: Leibniz, Selections, ed. Wiener, P. P., New York.
41. Lindgren, J.R. (1969), "Adam Smith's Theory of Inquiry", in: *Journal of Political Economy* (1969) 77, pp. 897-915.
42. Locke, J. (1961), *An Essay Concerning Human Understanding*, ed. and intro. by Yolton, J. W., Everyman's Library.
43. Mandeville, B. (1988), *The Fable of the Bees, or Private Vices, Public Benefits*, 2 volumes, with a commentary critical, historical, and explanatory by Kaye F. B., Liberty Fund, Indianapolis.
44. Marx, K. (1988), *Das Kapital: Kritik der politischen Ökonomie*, vol. 1, in: Marx-Engels- Werke, vol 23, Dietz Verlag Berlin.
45. Marx, K. (1987), *Theorien über den Mehrwert*, vol. 2, in: Marx-Engels-Werke, Vol. 26.2, Dietz Verlag Berlin.

46. Meek, R. L. (1973), "Der schottische Beitrag zur Marxistischen Soziologie", in: *Ökonomie und Ideologie*, pp. 50 – 72, Frankfurt.
47. Meek, R. L. (1976), *Social Science and the Ignoble Savage*, Cambridge/London/New York/Melbourne.
48. Mercer, Ph. (1972), *Sympathy and Ethics – A study of the relationship between sympathy and morality with a special reference to Hume's Treatise*, Oxford.
49. Millar, J. (1990), *The Origins of the Distinction of Ranks*, intro. Price, John Valdimir, Bristol/Tokyo.
50. Moore, Th. (1975), *Utopia*, eds. Logan, G.M. and Adams, R.M, Cambridge University Press, Cambridge/New York/Port Chester/ Belbourne/Sydney.
51. Neili, R. (1986), "Spheres of Intimacy and The Adam Smith Problem", in: *Journal of the History of Ideas*, 47(4), pp. 611 – 624.
52. Nussbaum, M.C. (1995), *Poetic Justice: the literary imagination and public life*, Boston.
53. Nussbaum, M.C. (1996), "Compassion: The Basic Social Emotion", in: *Social Philosophy and Policy* (1996), vol. 13, pp. 27-58.
54. Oncken, A. (1877), *Adam Smith und Immanuel Kant. Der Einklang und das Wechselverhältnis ihrer Lehren über Sitte, Staat und Wirtschaft*, Verlag von Duncker & Humbolt, Leipzig.
55. Otteson, James R. (2000), "The Recurring 'Adam-Smith-Problem'", in: *History of Philosophy Quarterly*, 17(1), pp. 51-74.
56. Plessner, H. (1983), "Über den Begriff der Leidenschaft", in: *Gesamelte Schriften*, vol. 8, Frankfurt a/M.
57. Raphael, D.D. (1975), "The Impartial Spectator", in: *Essays on Adam Smith*, eds. Skinner, A.S. and Wilson, T., Oxford.
58. Raphael, D. D. (1985), *Adam Smith*, Oxford & New York.
59. Raphael, D.D. and Macfie, A.L. (1984), "Introduction", in: *The Theory of Moral Sentiments*, pp. 1-52, Indianapolis.
60. Rawls, J. (1973), *A Theory of Justice*, Oxford/New York.
61. Skarzynski, W. v. (1878), *Adam Smith als Moralphilosoph und Schöpfer der Nationalökonomie*, Berlin.

62. Sturn, R. (1991), "Natürliche Freiheit und soziale Kontingenz", in: *Adam Smith (1723 – 1790): Ein Werk und seine Wirkungsgeschichte*, ed. Kurz, Heinz D., Marburg.
63. Teichgraeber, R. (1982), "Rethinking Das Adam Smith Problem", in: *New Perspectives on the Politics and Culture of Early Modern Scotland*, pp. 249-264, Edinburgh.
64. Wilson , Frank R. (2000), *Die Hand – Geniestreich der Evolution*, Stuttgart.
65. Wright, John P. (1996), "Dualism", in: *A Dictionary of Eighteenth-Century History*, eds. Black, Jeremy and Porter, Roy, Penguin Books.
66. Wollstonecraft, M. (1999), *A Vindication of the Rights of Woman, A Vindication of the Rights of Men*, Oxford.